The Bombay Gazette.

No. 9,462—New Series. BOMBAY :—MONDAY, MARCH 17. 1879.

THE BOMBAY GAZETTE.

The Rates of Subscription to the *Bombay Gazette* are as follow :—

To Subscribers in Bombay —*Delivered free.*

In Advance.		*In Arrear.*	
Per Annum	Rs. 48	Per Annum	Rs. 60
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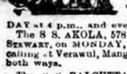
Quarterly	13	Quarterly	16
Monthly	5	Monthly	6

All Cheques, Money Orders, and other Remittances should be made payable to the "Proprietor of the *Bombay Gazette*."

SHIPPING.

THE BRITISH INDIA STEAM NAVIGATION COMPANY, (LIMITED.)



The following steamers are intended to be DESPATCHED once every four weeks from KURRACHEE to LONDON, calling at Aden, Hodeidah, Jeddah, Suez, Port Said, and Algiers, and at Lisbon once a month :—

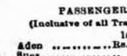
	Tons.	H.P.	Captains.	Date.
Pera	1780	200	J. Avern	10th April 1879.

Cargo and Passengers are booked here for the abovenamed places, also for East African ports for shipment hence by the Kurrachee steamers which leave Bombay on dates to correspond with the dates of sailing from Kurrachee.

For freight and passage apply to

MACKINNON, MACKENZIE & Co.,
Agents.

WEEKLY STEAM COMMUNICATION WITH THE MALABAR COAST, CEYLON, MADRAS, AND CALCUTTA.



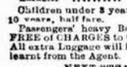
THE BRITISH INDIA STEAM NAVIGATION COMPANY (Limited), under contract with Government, will despatch the S. S. BAGHDAD, 1,377 Tons, 180 H. P., Commander N. R. Sayers, on SATURDAY, the 22nd March 1879, at 5 p.m., calling at Ratnagherry, Vingolla, Goa, Carwar, Coompta Mangalore, Cannanore, Tellicherry, Calicut, Beypore, Cochin, Alleppiey, Tuticorin, Colombo, Galle, Negapatam, Madras, Coconada, Visagapatam, Bimlipatam, Calingapatam, Gopalpore, False Point and at any other place where inducement offers.

Cargo for Singapore and China can be booked fortnightly by the steamers on this line hence or from intermediate ports for transhipment at Galle to the Steamers of the Compagnie des Messageries Maritimes de la France which run regularly.

MACKINNON, MACKENZIE & Co., Agents.

WEEKLY STEAM COMMUNICATION WITH THE PERSIAN GULF, *via* KURRACHEE,

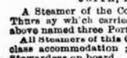
Interchanging Cargo and Passengers at Bussorah, to and from Bagdad, with the Euphrates and Tigris Steam Navigation Company or other Steamers.



THE BRITISH INDIA STEAM NAVIGATION COMPANY (Limited), under Contract with Government, will despatch the S. S. CALCUTTA, 863 Tons, 120 H. P., Commander J. Smith, on THURSDAY, the 20th March, 1879, at 4 p.m., to the PERSIAN GULF, touching at KURRACHEE, GWADER, MUSCAT, JASK, BUNDER ABBAS, LINGA, BAHREIN, BUSHIRE, FAO, BUSREH, and occasionally at MAHOMERAH.

MACKINNON, MACKENZIE & Co., Agents.

BI-WEEKLY STEAM COMMUNICATION WITH KURRACHEE



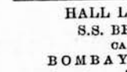
THE BRITISH INDIA STEAM NAVIGATION COMPANY (Limited), under Contract with Government, will despatch their Steamer for Kurrachee every THURSDAY at 4 p.m., and every MONDAY at 10 a.m.

The S. S. AKOLA, 578 Tons, 130 H. P., Commander J. W. Stewart, on MONDAY, the 17th March 1879, at 10 a.m., calling at Verawul, Mangrole, Pore Bunder, and Dutch Mandvie, both ways.

The S. S. CALCUTTA, 863 Tons, 120 H. P., Commander J. Smith, will be despatched on THURSDAY, the 13th March 1879, at 4 p.m.

MACKINNON, MACKENZIE & Co., Agents.

STEAM COMMUNICATION WITH ITALY *via* SUEZ CANAL.



ITALIAN STEAM NAVIGATION COMPANY of Messrs. R. RUBATTINO & Co., GENOA.

THE REGULAR STEAMERS LEAVE GENOA and BOMBAY on the 7th, } on the 1st of each Month,

PASSENGERS' RATES FROM BOMBAY.

(Inclusive of all Transit Fees through the Suez Canal.)

	1st Class.	2nd Class.	3rd Class.
Aden	Rs. 260	Rs. 160	Rs. 80
Suez	360	210	80
Port Said	380	240	80
Jaffa	400	260	125
Beyrout	425	320	125
Cyprus	450	330	130
Messina	540	340	140
Naples	560	340	140
Leghorn	560	340	140
Genoa	560	340	140
Marseilli	550	340	145

Including Wines.

Children under 8 years, free of charge; Children not above 10 years, half fare.

Passengers' heavy Baggage will be delivered in LONDON FREE of CHARGES to the extent allowed in the Handbooks. All extra Luggage will be charged for at rates which can be learnt from the Agent.

NEXT STEAMERS FROM BOMBAY :—

SINGAPORE, to sail on THURSDAY, 20th March 1879.
ARABIA, to sail on THURSDAY, 1st April 1879.
ASSIRIA, to sail on THURSDAY, 1st May 1879.
MANILLA, to sail on SATURDAY, 17th May 1879.
AUSTRALIA, to sail on SUNDAY, 1st June 1879.

Passengers and Cargo are now booked for JAFFA, BEYROUT, AND CYPRUS.

A Steamer of the Company leaves Port Said regularly every Thursday which carries the Passengers from Bombay to the above named three Ports.

All Steamers of this Company have large First and Second class accommodation ; and always carry a Doctor and a Stewardess on board.

The steamers of this Company, as a rule, start precisely at 10 A.M. Any unavoidable detention will, however, be advertised at least one day previously.

For hand-books of information, rates of freight, &c., apply to

C. GRONDONA,
Agent Rubattino Steam Navigation Company,
No. 2, Hummum Street.

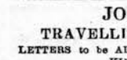
Bombay, Jan. 1879.

HALL LINE OF STEAMERS.

S.S. BRANKSOME HALL,

CAPTAIN R. COLLIN,

BOMBAY TO LIVERPOOL.



THIS Steamer will be despatched as above on the 12th April. For passage, &c., Apply to

W. & A. GRAHAM & Co.,
Agents.

JOHN BLEES,

TRAVELLING PHOTOGRAPHER,

LETTERS to be ADDRESSED, care of Messrs. KING, KING and Co., Bombay.

FOR SALE,

A SECOND HAND thoroughly done up circular-fronted BROUGHAM in first rate order by Fuller, of Bath, suitable either for a single or pair of horses.

Single, double and four-in-hand harnesses always in stock and second-hand saddles and harness.

INFORMATION regarding the SALE or PURCHASE of CARRIAGES and HORSES can be obtained on applying to the undersigned at their establishment in Girgaum

JAFFER SULLIMAN & Co.

MR. JERAMDASS KULOOMUL begs to inform the Ladies and Gentlemen of Bombay and of the Mofussil, that he has OPENED a SHOP in No. 3, Hummum Street, Fort, Bombay, and has always ready on hand EMBROIDERED WORKS of Sind, China, Mooltan, Madras Cashmere, and Delhi—such as Shawls, Cloaks, Handkerchiefs, Cushions, Dress, Silk of all kinds, &c., &c., and also Silver and Gold Delhi, Trichinopoly, Cashmere, and Bombay Jewellery, Diamond Rings, Mooltan and Eran Carpets, and Bombay and Surat Work Boxes, Moorshedabad and Benares Vessels, &c., &c.

All the above articles are warranted to be of the best Manufacture and are especially made for presents to friends in Europe.

N.B.—Orders from Out stations will be promptly carried out in moderate Terms.

BOMBAY SCOTTISH EDUCATION SOCIETY.

BYCULLA SCHOOL—PAREL ROAD.

Head Master—Mr. James McDonald, } With Assistants.
Head Mistress—Miss McDonald, }

FORT SCHOOL—HUMMUM STREET.

Head Master—Mr. A. D Smeaton, } With Assistants.
Head Mistress—Miss Smeaton, }

Music Master—Mr. Joseph Schmuck.
French Master—Signor Pedraza.

R. JEFFREY, } Honorary Secre-
D. MACPHERSON, } taries.

Boarders (Boys and Girls) are received by Mr. and Mrs. McDonald, and by Mr. and Mrs. Smeaton.

Bombay, January, 1879.

D. S. KEMP & Co., WHOLESALE CHEMISTS AND MANUFACTURERS.

(Prize Medal, 1873.)

Price List, Wholesale and General, furnished on receipt of card.

SASSOON HOUSE, 7, ELPHINSTONE CIRCLE, BOMBAY.

D. S. KEMP & CO.'S MEAT EXTRACTS.

THE only preparations fit for Invalids; in comparably superior to the commercial Liebig's Extracts, guaranteed perfectly pure and made from carefully selected material. With the addition of a little bread or vegetable seasoning, and, if desired, fat, they form most delicious soups.

LIEBIG'S NUTRITIVE EXTRACT.—A liquid extract of the finest meat. Bottles Re. 1, Rs. 2, and .....Rs. 3 8
EXTRACT OF MUTTON.—Quarter pound jars... „ 3 0
EXTRACT OF CHICKEN.—(Borne by patients who can take nothing else) jars..... „ 2 8

D. S. KEMP & CO.,
SASSOON HOUSE, BOMBAY.

SHIPPING.

PENINSULAR AND ORIENTAL COMPANY.

THE following or other Steamers will be despatched for EUROPE :—

Vessels.	Tons.	H.P.	Captains.	1879.
— SUMATRA	2488	450	W. A. Seaton	17th March.
(s) MIRZAPORE	3763	600	A. Parish	14th do.
— CATHAY	2982	450	R.T. Dundas	3 at do.
(s) NEPAUL	3536	600	J. S Murray	7th April.
— TRAVANCORE	1900	280	W. Bartrum	14th do.
(s) HYDASPES	2981	450	D. Pennoldson	21st do.
— BANGALORE	163	500	E. G Stead	28th do.
(s) BOKHARA	2932	450	J. Orman	5th May.
— THIBET	2593	400	J. H Torbock	12th do.
(s) SURAT	3141	530	W. E. Breese	19th do.

Passengers are booked to ADEN, SUEZ, BRINDISI, ANCONA, VENICE, MARSEILLES, MALTA, GIBRALTAR and SOUTHAMPTON by every Mail. The Steamers marked (s) proceed direct to Southampton. By the others Passengers change vessels at Suez, and those for Brindisi, Ancona, Venice, and Marseilles are conveyed by Rail from Suez to Alexandria.

A Launch leaves the Company's Dock Head, Mazagon, at 8 p.m. on the day of sailing.

For Passage, &c., apply to

J. R. KELLOCK,
Bombay, 7th March 1879. Superintendent.

STEAM TO CEYLON, PENANG, STRAITS, CHINA, AND JAPAN.

THE following Steamers will be despatched for the above ports, carrying H. M.'s Mails, and taking also Passengers and Cargo for Madras and Calcutta :—

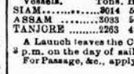
Vessels.	Tons.	H.P.	Captains.	
NIZAM	5725	450	A. B. Barlow	18th March 1879.
GWALIOR	2725	450	J. C. B bot	1st April.
LOMBARDY	2723	450	W. B. Hall	15th do.
ZAMBESI	2431	370	A. Symons	28th do.

A Launch leaves the Company's Dock Head, at Mazagon, at 3 p.m. on the day of sailing.

For Passage, &c., apply to

J. R. KELLOCK,
Bombay, 4th March 1879. Superintendent.

STEAM TO KING GEORGE'S SOUND, ADELAIDE, MELBOURNE, AND SYDNEY, CALLING AT GALLE AND COLOMBO.



THE following Steamers will be despatched for the above ports :—

Vessels.	Tons.	H.P.	Captains.	
SIAM	3014	500	G. N. Hector	28th March.
ASSAM	3033	500	N. Stewart	25th April.
TANJORE	1263	450	W. W. Fentiman	23rd May.

A Launch leaves the Company's Dock Head, at Mazagon, at 2 p.m. on the day of sailing.

For Passage, &c., apply to

J. R. KELLOCK,
Bombay, 27th February 1879. Superintendent.

INDIAN TEA EMPORIUM.

THE FIRST AND THE OLDEST.

SELECTION,—from TEAS of more than a dozen Choicest and Best Plantations.

MORTON & CO.,
Sole Agents of Holta Tea Co.
24, CHURCH GATE STREET,
Opposite to the *Times of India*.

SALES BY AUCTION.

BENNETT AND COMPANY,
No. 4, FORBES STREET.

AUCTION SALE OF LANDED PROPERTY.

THIS DAY, MONDAY, the 7th instant at 3-30 P.M., Messrs. BENNETT & Co. will sell by Public Auction on the premises, by order of Nensey Cheraj and Rahimtola Khirat, the mortgagee, and on account and Risk of Abdoo Rahimon Ali Moosbaree, the mortgagor, the following property :—

All that piece or parcel of ground, with the messuage, tenement and dwelling house standing thereon, situate lying and being fronting on the westward of the Dhobi Talao Street without the Fort of Bombay in the New Town, which said piece or parcel of ground and premises hereby intended to be hereby respectively mortgaged contain by admeasurement 1,000 square yards, be the same little more or less and the ground is assessed by the Collector of Land Revenue under No. 1,641 and the same is assessed by the Municipal Commissioner of Assessment No. 56, and the same is bounded on the North formerly by the house of Hunraj Currumsey, but now of Abdool Rahimon Ali Moosbaree, on the south by the Municipal Road formerly of Currumsey, but now of Khoja Fazul Ebrahim, on the east by the Chimnajee Butcher Street, on the west by the Khoja Street, and on the south partly by the said Municipal Road and partly by the said district, were formerly in the occupation of the said Abdoo Rahimon Ali Moosbaree. Also all that piece or parcel of Government land or ground with the messuage, tenement or dwelling house standing thereon, situate, lying, and being on the western side of Khoja Street, near Khara Talao, in the sub-district of Bhoiwadee, in the Island of Bombay, and which said premises were formerly in the occupation of Jacobee Nowrow of Ahmed Ali Khan bin Ackbar Ali Khan, and which said premises are registered in the Books of the Collector of Land Revenue under No. 1 621, and which said premises are assessed by the Collector and Municipal Taxes under No. 49, containing by admeasurement ninety-seven and one eighth square yards or thereabouts, and bounded as follows :—That is to say, on or towards the east by Chimnee Butcher Street, on or towards the west by Khoja Street, on or towards the north by the house of Kurumsey Rummull, and on or towards the south by the house of Syed Abdool Hoossain Syed Shapoodin.

ON THE SAME DAY, AT 4-30 P.M.

All that piece or parcel of land or Government Ground and part together, with the messuage tenement, dwelling house or bungalows standing thereon, situate, lying and being within the Fort of Bombay, on the Foras Road, near Tardeo, in the sub-district of Bhoiwadee registered in the Books of the Collector of Land Revenue under No. 320, and assessed by the Collector of Municipal Tax under No. 9, containing by admeasurement two thousand one hundred and seventy-seven square yards be the same little more or less, and bounded as follows :—that is to say, on or towards the east by the said Foras Road, on or towards the west by the property of Jumseerji Nusserwanjee on or towards north by the property of Mr. Mullins, and on or towards the south partly by the property of Cooverjee Mody and partly by the property of Muncherjee Cama, which said premises now in the occupation of the said Abdool Rahmon bin Ali Moosharee.

Messrs. BENNETT & Co. are instructed to sell by Public Auction, TO-MORROW, TUESDAY the 18th March at 4 P.M. Upper Colaba, the valuable black wood French-polished furniture, one English built mail phaeton, with a pair of very handsome well-matched black Arab horses, &c., &c., the property of Surgeon Major Lord. The same comprises a few articles of plated ware, handsome black wood french polished elaborately carved furniture, such as a set of dining table 4 pieces, sideboard, Whatnots Madras pattern dining-room arm and without arm chairs, handsome circular, pier, side, card and writing tables, easy, reclining, low and drawing room chairs, conversation sofas, chiffoniers, persian carpets, bedstead camp cots, dressing and washing tables, clothes presses, chest of drawers, dispense articles, &c., &c.

AT 2 P.M.

1 English-built mail phaeton by "Andrews" of Southampton
1 Pair very handsome well matched black horses

Detail papers are published and the property is now on view.

N.B.—This property has not been previously disposed of by private sale.

On SATURDAY, the 29th instant, at 1 P.M., Messrs. BENNETT & Co. are instructed to sell by Public Auction, at Tardeo the valuable and handsome Mahogany and blackwood house hold furniture, plated, glass and porcelain ware, one English built phaeton, one powerful chesnut Australian horse, plants, books, &c., the property of R. H. Vincent, Esq.

Catalogues will be published, and the property will be on view four days before the day of sale.

BENNETT & Co.

Bombay, 17th March 1879.

MEHRJEE, JOHNSTON AND COMPANY.

AUCTION SALE OF A STEAM LAUNCH AT CARNAC BUNDER.

THIS DAY, MONDAY, the 17th instant, at 4 p.m., Messrs. MEHRJEE, JOHNSTON & Co. will sell by Public Auction at Carnac Bunder, by order of the Official Assignee of the Bombay High Court in Re-Nursey Kessowjee & Co., insolvent, the undermentioned steam Launch.

1 Steam Lunch called Mary No. 3899, measuring 67 candies.

AUCTION SALE OF YARN AND COTTON WASTE.

On WEDNESDAY, the 19th March, at 1 p.m., Messrs. MEHRJEE, JOHN TONE and Co. will sell by Public Auction, at the Nurse Spinning and Weaving Company, Limited, at Chinchpoogly, near Goorundeo, by order of the Official Liquidators appointed by the High Court, the following, viz :—

A quantity of low and extra bales of Long, China and Twist Cloth, Fancy Dhoties and Chudders, Khacha Towels black Handkerchieves, Sarries, Tanna Cloth, Tent Cloth, Drill Carpets and a variety of other Piece Goods and Yarn of various numbers and cotton waste.

SALE OF MATERIALS OF A CERTAIN BUNGALOW No. 28 AT UPPER COLABA.

Under instructions from the Executive Engineer, Bombay Harbour Defences, Messrs. MEHRJEE JOHNSTON & Co. will sell by Public Auction on the premises for removal the whole of the materials of the above Bungalow pucca built on FRIDAY, the 21st instant, at 3 p.m., the same consisting of teakwood doors, windows, posts, cut rafters, tiles, chunam walls, &c., &c.

MEHRJEE, JOHNSTON & Co.

Bombay, 17th March 1879.

CRAWFORD AND COMPANY,
2, MARINE STREET, BOMBAY.

USUAL AUCTION SALE.

THIS DAY, MONDAY, the 17th instant, at 3 p.m., Messrs. CRAWFORD and Co. will sell by Public Auction at their rooms—

10 bales grey shirtings.
10 cases grey cholties.
8 „ prints.
6 „ Victoria Lawn.
4 „ Doria Stripe.
1 „ 2-0 doz. glycerine soap.
1 „ 50 sets washing jugs and basins.
6 bales brown casing papers.
4 bundles each 1 the gradelle tic.
1 bag about 80 cross velvet corks.
A few doz. sparkling hock in quarts and pints.
On account and at the risk of the first purchaser Heerjee Sowjee.
75 barrels alum, each 3 to 3¼ cwt.

SALE OF UNSERVICEABLE FURNITURE AT THE TOWN BARRACKS.

THIS DAY, MONDAY, the 17th inst., at 12 noon, Messrs. CRAWFORD and Co. will sell by Public Auction, at the Town Barracks, by order of the Executive Commissariat Officer Presidency :—

A quantity of unserviceable furniture, &c., belonging to Government.

CRAWFORD & Co.

Bombay, 17th March 1879.

VIENNA BEER.

IMPORTED DIRECT FROM THE BREWERY IN SPLENDID CONDITION.

Cash.

Per doz. Quarts .....Rs. 6-8
Per doz. Pints ..... „ 4-4

TREACHER & CO. (LIMITED).

NEW ADVERTISEMENTS.

GRANT ROAD THEATRE.

COMPLIMENTARY BENEFIT TO
MR. GEO. ANDERSON.

SATURDAY, 22ND MARCH.

ENGLISH COMEDY,
OTHELLO.

On which occasion a well-known Persian gentleman has kindly consented to assume the title rôle.

AMATEUR CHRISTY MINSTRELS.

FULL PARTICULARS IN FUTURE ISSUE.

Reserved seats may now be secured at Messrs SOUNDY and Co.

Dress Circle	Rs. 4
Stalls	„ 3
Gallery	„ 2
Pit	„ 1

NOTICE—I HAVE THIS DAY AUTHORIZED Mr. SASSOON JACOB DAVID to SIGN my NAME.

E. D. SASSOON.

Bombay, 17th March 1879.

WE have THIS DAY commenced business as MERCHANTS and COMMISSION AGENTS.

D. MACFADYEN & Co.

15, Marine Street, 15th March 1879.

TO PASSENGERS by ENGLISH MAIL STEAMER of 24th March, the MIRZAPORE—A WIDOWER is desirous of placing his DAUGHTER (8 years old) in the charge of a Lady proceeding by the above. Address with terms, &c., H. W. care of this Office.

CONSIGNEES of CARGO per S. S. WILLIAM BURKITT, Captain George F. Freeman are hereby informed of her ARRIVAL, and are requested to TAKE DELIVERY at once of their respective GOODS, failing which they will be landed without further notice at the expense and risk of the concerned. No responsibility for the condition of the Goods will be acknowledged after they leave the Steamer's side, and no claim of any kind will be paid without bearing the Captain's counter-signature.

McCULLOCH, BEYTS & Co.,
Agents s. s. William Burkitt.

NOTICE.

OWING to the DETENTION of the OVERLAND MAIL DESPATCHES from the PUNJAB, the DEPARTURE of the ENGLISH MAIL STEAMER has been POSTPONED to TUESDAY, the 18th instant, at 12 o'clock Noon.

A supplemental Mail for ORDINARY LETTERS and NEWSPAPERS ONLY will be kept OPEN up to 10 a.m.

C. A. STUART,
Presidency Postmaster.

NOTICE.

BOMBAY MAYO MEMORIAL FUND.

THE GENTLEMEN forming the COMMITTEE of the MAYO MEMORIAL FUND are informed that a MEETING will be held on FRIDAY, the 28th March 1879, in the Sir Jamsetjee Jeejeebhoy's School of Art at 5-30 p.m., and that they are particularly requested to be present.

G. W. TERRY,
Honorary Secretary.

INDIAN ELECTRIC LIGHT COMPANY (LIMITED.)

CALCUTTA.
Messrs. GILLANDERS, ARBUTHNOT AND CO.
BOMBAY.
Messrs. PEEL, CASTELS AND CO.
MADRAS.
Messrs. ARBUTHNOT AND CO.

THIS Company having contracted with the Makers of the best modes of ELECTRIC LIGHTING and secured the exclusive rights of Mr. JABLOCHKOFF'S PATENT for India, the undersigned is prepared to undertake the lighting up by the Electric Light of

Palaces, Public Buildings, Monuments, Towers, Beacons, Lighthouses, Theatres, Workshops, Mills, Presses, Sheds, Docks, Wharves and other places where night work is done and a brilliant light required Special machines for Steamers and Steam Launches, &c., &c., &c.

For particulars and estimates apply to

F. FISCHER.
General Manager for India.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY.

ORDINARY ORIGINAL CIVIL JURISDICTION.

In the MATTER of the INDIAN COMPANIES' ACT X. of 1866, and in the MATTER of the NICOL PRESS and MANUFACTURING COMPANY, LIMITED.

NOTICE is hereby given, that the CREDITORS of the above-named Company are required on or before the 15th day of May 1879 to FORWARD their NAMES and ADDRESSES and the PARTICULARS of their DEBTS or CLAIMS accompanied by vouchers relating to the same, and the NAMES of their ATTORNIES if any, to JOHN GORDON, the Liquidator of the said Company at the Registered Office of the Company at No. 33, Elphinstone Circle, in the Fort, and if required by notice in writing from the said Liquidator or his Attornies to come in and prove their said Debts or Claims at such time as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved—Dated this 15th day of March 1879.

J. GORDON, Liquidator.

CHUBB'S PATENT SAFES,
The most secure against
FIRE AND THIEVES.

22	+	17	+	16
24	+	18	+	18
34	+	25	+	22
36	+	25	+	22
54	+	28	+	25

EDULJEE PESTONJEE,
Sole Appointed Agent,
CHUBB'S BOX AND LOCK MART,
47, PARSEE BAZAAR STREET, FORT, BOMBAY.
ESTABLISHED, 1847.

J. NEUBERG,
5, Meadow Street.

TOBACCOS.

NEUBERG'S "GOLDEN BLOCK" MIXTURE,

MANUFACTURED DAILY.

Per 1 lb. Tin—Rs. 3-4 | Per ½ lb. Tin—Re. 1-12.

NEUBERG'S GOLDEN SHAG,

Highly recommended, possessing within itself the delicate aroma of Golden Leaf, and the pleasant fulness of Virginia.

Rs. 2 per ½ lb. Packet.

NEUBERG'S VIRGINIAN HONEY DEW,

Recommended to those who enjoy a pleasant full-flavoured smoke,

"AN OLD SMOKER'S CHOICE."

Rs. 2 per ½ lb. Packet.

WILL'S BEST BRISTOL BIRD'S EYE.

Rs. 1 per ¼ lb. Tin.

REAL TURKISH TOBACCO.

From Rs. 5 to 10 per lb.

J. NEUBERG,
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TREACHER'S GINGER ALE,
A SACCHARINE AERATED WATER OF SPARKLING BRILLIANCE.

IS highly aromatic, pleasingly pungent to the palate, and delightfully refreshing as a beverage for tropical climates.

The various ingredients composing this popular drink are proportioned to a nicety, and the utmost care and cleanliness (as with all our Aerated Waters) are exercised in its production.

PURE WATER, PURE INGREDIENTS, SKILLED LABOUR,

And well constructed and suitable apparatus driven by powerful steam machinery are at our command, coupled with the Factory being under the supervision of a talented Chemist, through whose experience and knowledge we hope to maintain the high reputation so long enjoyed by the Company for their other Aerated Waters.

Cash Re. 1 8 per dozen (bottles extra).

TREACHER AND CO., Limited,
BOMBAY, BYCULLA, AND POONA.

REQUISITES FOR TRAVELLERS BY LAND OR SEA.

OVERLAND TRUNKS,
from Rs. 22-8 each.

PORTMANTEAUS.
Of convenient shapes.

COURIER AND HAND BAGS
Tanned Canvas and Leather.

RUGS.
Rug and Bed Straps.

AIR PILLOWS AND CUSHIONS.
Of superior manufacture,
from Rs. 7 to 15.

DECK AND CAMP CHAIRS.
Folding—light and strong,
from Rs. 7 to 15.

BATHS.
Best Tin, strong, with and without covers,
from Rs. 10 to 50.

India Rubber ditto, quite flat, and when inflated serve as a comfortable Bath, 33 inches in diameter and 9 inches deep, Rs. 25.

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of the most useful patterns made specially for India.

FIELD AND MARINE GLASSES.
Archromatic inroling Cases,
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Suitable for Indian use, empty or conveniently fitted from Rs. 11 to Rs. 50 each.

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Dram Flasks. Various Patterns and sizes, Re. 1-8 to 15.
Drinking Cups. Horn, Glass or Metal, As. 12 to Rs. 3-8.
Corkscrews, Tin Openers, Knives and Forks.

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PRESERVED PROVISIONS
Soups, Fish, Meats, Pies, Sausages, Biscuits, &c., &c.

CLARETS, BRANDIES, HOCKS, CHAMPAGNES,
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SODA AND OTHER AERATED WATERS.
Pure and Sparkling.

INFANTS' PREPARED FOODS,
Fresh importations.

CHOCOLATE, COCOA, TEA, COFFEE AND MILK,
in a variety of forms.

CIGARS AND CHEROOTS,
Manilla and Trichinopoly of first qualities, specially selected.

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Of handsome shapes.

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Solid Leather, Oak, or Mahogany fitted with Medicines according to special requirements,
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EAU DE COLOGNE AND TOILET VINEGAR.
Marine and Toilet Soaps,
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and Sponge Bags.

DRESSING BAGS AND CASES,
from Rs. 13 to 300.

STATIONERY.
Note Paper and Envelopes,
specially suited for Overland or Inland Correspondence.

WRITING AND TOURIST CASES.
in a variety of portable and useful shapes.

PURSES AND POCKET BOOKS,
of the most convenient and secure forms.

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and Portable Games.

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NOTICE OF REMOVAL.

THE UNITED SERVICE WINE COMPANY have REMOVED from Sassoon Buildings to ELPHINSTONE CIRCLE, opposite the Custom House.

PRICE LISTS OF WINES, &c., FORWARDED ON APPLICATION.

S. ROSE & CO., BOMBAY.

THE PAPYROGRAPH,

INVALUABLE FOR OFFICIAL, MERCANTILE, AND FOR GENERAL USE
EASY, CHEAP, CLEANLY, AND RAPID IN EXECUTION.

BY THIS PROCESS 500 OR MORE PERMANENT FACSIMILE IMPRESSIONS OF
Circulars, Designs, Office Forms, Prices Current, Market Reports, Music, Programmes, Menus, etc., etc.
MAY BE RAPIDLY AND CHEAPLY
PRINTED IN AN ORDINARY COPYING PRESS.

The process is simple, economical, and cleanly, and may be easily worked by a Native Assistant.

The process is already in use in some hundreds of Public and Private Offices including the INDIA OFFICE, the HORSE GUARDS, the Fenian Government, various Railways, Banks, &c., and has proved an undoubted success.

The Papyrograph can be very easily learnt, and very cleanly. The original outlay is soon recouped to the purchaser by the saving to printers' and lithographers' bills, and where secrecy is required the process will be found invaluable.

No. 1.—QUARTO SIZE, 12 by 9½ inches, to fit a Quarto Copying Press, and to print both Quarto and Octavo sizes, with Ink, &c., complete, Chest, about 19 by 16 by 9 inches. Cash Rs. 64.

THE CHEAP POPULAR PAPYROGRAPH.

This Set does not contain a Printing Slide, the impressions being taken in a Printing Case. Cash Rs. 39.

The Materials supplied with the various Sets of the Papyrograph are calculated to last for a considerable time. Fresh Materials for re-furnishing, when the first supply is exhausted, may be obtained at a moderate cost.

THE "FACSIMILE" PRINTING PROCESS.

(BYFORD'S PATENT)

By this novel invention a number of Facsimile Copies of Circulars, Price Lists, Drawings, &c., written with the Patent Ink are printed in a few minutes on any sheet of dry paper without the aid of the ordinary Copying Press, the original writing remaining quite fresh. The process has now for some time in operation in the Board of Trade the Science and Art Department, South Kensington Museum, Indian Post Office, principal Railways and other Public Companies' Offices, where it has been thoroughly tested and found most useful and efficient. The simplicity of working and the cleanness and exactitude of the copies produced, render its invention most valuable in all cases where economy of time and labour is an object. It is especially suited to the requirements of the Brokers, Merchants, Railway Companies, Solicitors, and others who require copies of documents produced more speedily than they can be by ordinary printing.

The cost is nominal, the only apparatus required (beyond the appliances found in every counting-house) being the Printing Folio, Transfer Paper, and the Patent Ink.

The apparatus consists of the printing pad, a supply of transfer paper, a bottle of patent ink, the impression plate, and damping brush of improved construction.

	Rs. a.
Quarto size to print letter size [or less], Cash complete	25 0
Foolscap size „ „ „	35 0

S. ROSE & CO., 9, Rampart Row, Bombay.

SHIRTS.

NEW FRENCH CAMBRIC SHIRTINGS.
NEW OXFORD CLOTH SHIRTINGS.
NEW MANCHESTER PRINTS.
NEW SILK AND WOOL SHIRTINGS.
NEW WOVE FLANNELS.
NEW SPUN SILKS.

TRIAL ORDERS for our CELEBRATED SHIRTS, now universally worn throughout India, are respectfully solicited in the above New and Genuine Materials which we have just received.

ASQUITH AND LORD,
THE WESTERN INDIA SHIRT MANUFACTORY,
8, RAMPART ROW, BOMBAY.

IMPORTANT TO Passengers proceeding to Europe.

Great Saving of Cost in the Price of Outfits.

HOAR AND COMPANY'S
Special Ready Money List.

	Rs. a.		Rs. a.
Deck Suits	Rs. 22 25 0	Cotton Socks dozs.	7 14
Sleeping Do.	Rs. 8-12 0 15 14	Warm Merino Socks dozs.	13 2
Overcoats, Warm	35 0	Scotch Lambswool „	13 12
Ustern, Warm	47 0	Warm Undervests each	5 4
Cardigan Jackets	7 14	Warm Drawers „	5 4
Pyjamas each	3 8	Warm Mufflers	1 0
Rugs, Long, Whitney	14 0	Warm Gloves	1 10
Mauds, Scotch „	32 0	Warm Mitts	1 8
Shirts Best Flannel each	7 14	Scarfs for Pin	0 14
Oxford Cloth „	5 4	Linen Faced Collars	0 10
White or French „	4 0	„ „ Cuffs	1 2
Dressing Gowns	8 8	„ „ Fronts	0 14
Cambric Handkerchiefs doz.	4 6	Overland Chairs	8 6
Lounge Caps each	1 12	Rug Straps	2 4
Felt Hats, all Shapes	7 0	Cloth Brush Sets	1 2
Tweed Hats	4 0	Nail Brushes	0 8
Grass Merino Bandas	3 0	Tooth Brushes	0 9
Hat Guards each	0 6	Silk Umbrellas	10 0
Sun Umbrellas	6 2	Cabin Travelling Baths	35 0
Air Pillows and Cushions	6 2	Brass Bedsteads	57 0
Linen Collars, the Best	5 12	Fitted Hide Dressing Bags	57 0
Hat Cases	8 12	Slippers from	3 8
Leather Purses	3 8
„ Wallets	3 8
Bank Note Cases	2 10
Money Belts	4 4
Sovereign Boxes	7 14
Courier Bags	7 14
Carpet Bags	7 14
Hide Hand Bags	11 0
Bags for Soiled Linen	4 12
Best Overland Trunks	21 0
Railway Portman eaus	14 0
Bath Sponges	3 0
Sponge Bags	1 8
Hair Brushes and Comb in Case	9 4
Marine Soap	0 6
Shaving Do.	1 8
Tooth Powder	1 0
Eau de Cologne	0 14
Air Tight Cases	21 0
Solid Leather Rivited Trunks	70 0
Canvas Shoes	5 12

Our Stock is entirely new and of the best quality. Travellers before supplying their wants would do well to pay our house a visit.

Complete Outfits, and full information for the great American Route, Via China, Japan, and San Francisco.

HOAR AND COMPANY,
3, Rampart Row, } GENERAL OUTFITTERS, } Bombay.
The Travellers' Kit House,

NEW ADVERTISEMENTS.

WILSON'S GREAT WORLD CIRCUS.

UNQUALIFIED TRIUMPHANT SUCCESS of THE GREAT COMPANY.

All the Artistes receiving at each representation the plaudits of all beholders.

GRANDEST ENTERTAINMENT EVER PRESENTED IN BOMBAY.

THIS (MONDAY) EVENING, MARCH 17.

A PROGRAMME of RARE EXCELLENCE,
Replete with the Latest Novelties in
EQUESTRIANISM, GYMNASTICS, PUNNAMBULISM

COMMERCIAL INTELLIGENCE.

SATURDAY EVENING, 15TH MARCH 1879.

ALTHOUGH the extent of business this week has been limited, owing mainly to the Holi Holidays restricting alike supplies of export produce and the demand for imports, a decidedly better feeling is gaining ground, and people are beginning to regard the future with much greater confidence in a return of active trade than was the case a few weeks ago. There is no gainsaying the fact, that our various crops are both short and late, but they will require to be manipulated in such a comparatively limited period that we can scarcely fail to have at least a couple of months of very active business, and give one favourable feature in the excellent quality of all the season's produce. The Home Markets, also show signs of taking a decided turn for the better, and with the Bank of England rate of discount down to 2½ per cent, there will be one powerful influence at least in favour of a lasting improvement. Unfortunately, the very influences which are most encouraging to the foreign trade of the port tell adversely on our local Spinning and Weaving Mills, and the fact of the short time movement which was adopted three weeks ago having already broken down is another unfavourable feature, but the position of the industry will improve as the country recovers from the effects of the past two years of famine, and the present depression will not be without beneficial results, if it tends, as it should, to bring about a more economical and better style of management.

The event of the week in business circles has been the publication of the Annual Financial Statement of the Government of India for 1879-80 which was brought out in Calcutta on 13th instant, but of which, up to the time of writing, we have only a telegraphic summary. From a commercial point of view it is on the whole fairly satisfactory. The main features are no fresh taxation; the abolition of the 5 per cent. import duty on all Cotton Goods made of No. 30's Yarn and under; and a new 4½ per cent. rupee loan for £6,000,000. The abolition of the import duty on Cotton Goods, will meet with the approval of everyone except the proprietors of the local mills, and the fact of no fresh taxation being proposed will indirectly exercise a favourable influence on trade. The announcement of a new loan for 6 crores comes to some extent unexpectedly, as the previous intimation that 2 millions sterling was to be advanced by the Home Government free of interest, led to the belief that no additional sum would be borrowed. As explained, however, £1,650,000 will go against the unrealized balance of the 5½ per cent loan of 1st May, and the balance of £2,450,000 will probably be for public works. The effect of the announcement has been to depress the market for Government Paper materially, but as tenders are not to be sent in till 12th May and subscriptions are spread over five months of the close season the result may be better than at present anticipated. As regards Exchange, it is satisfactory to know that so far there has been no decision to attempt tampering with the currency, although the matter is said to be under the consideration of the Home Government. The Council Bills for the year are estimated at 18,95 lacs or an average of about 36½ lacs weekly, the rate calculated being Is. 7d. per rupee, which would give 15 millions sterling. As the Home charges for the year will amount to about 17 millions, it is evident that the drawings are to be reduced by the 2 millions borrowed in England. Whether in so doing Government are adopting a wise line of policy, is a point open to discussion. Practically—to use a common expression—it simply amounts to backing an ultimate recovery in the value of Silver respecting which, to say the least, opinions are much divided. In last Budget it will be remembered the Council drawings for 1878-79 were estimated at 17 millions at 1s. 8·4d. per rupee, equivalent to 20 crores, but the result is a loss of £400,000 by exchange in excess of the estimate.

MONEY.—The Market has undergone no real change, either present or prospective during the week. The last published statement of the Bank of Bombay to the 8th instant, showed an increase in the Cash Balance of 16½ lacs, due mainly to private deposits, and no change has been made by the directors in their official rates of interest and discount which still stand at 7 per cent. on fixed and 8 per cent. on demand loans secured by Government Paper. It must be remembered, however, that as the season has gone so far there has only been a very limited trade demand to meet, and all the pressure has still to come, while the later it is in coming the sharper will be the rush. A loan to the ryot is likely to exercise something of a strengthening effect on the market. Tenders, it is true, are only asked on 12 h May when in an ordinary year the press of the season would be pretty well coming to an end, but with the crops so exceptionally late it is by no means unlikely we may see an active trade proceeded this year quite up to the break of the rains.

EXCHANGE.—The transactions in sterling this week have again been comparatively moderate, and rates have not fluctuated widely. Business for the mail opened on Tuesday with a very steady feeling, and there were apparently more sellers than buyers of Bills on the basis of 1s. 7¼d. for demand Bank drafts. On Wednesday, however, the tendency was reversed and a decline of 1-32 was established in Private Paper. Thursday as usual brought us advice of the previous day's biddings for Council drafts in London, and as only 28,80,000 rupees had been taken up at 1s. 7d. out of 45 lacs offered, the influence would have been very decidedly against the market, but for the fact of the amount advertised for the coming week's biddings being only 35 lacs, and an indisposition to operate pending the views of the Budget. As it was, a decline of 1-16d took place, and for a time 1s. 7d. was almost the best rate obtainable for demand bank drafts; but on Friday, notwithstanding a decline in the value of Bar Silver at Home from 49⅞ to 49½d. per oz., although the Market was very weak rates did not further give way, and on Saturday the Market closed quiet at the following quotations:—Bank Bills on demand 1s. 7 1 16d.; 6 months' sight 1s. 7 7-16d. Credits, 3 months' sight 1s. 7¾d.; 6 months' 1s. 7 9-16d. Documents, 3 months' 1s. 7 6-16d.; 6 months' 1s. 7¾d. per rupee.

On the basis Private Paper is negotiable up to the end of April, and on the other hand there are sellers of Bank Bills at the same rates for April-May delivery which might almost be taken as indicating a belief in no very special movements either way. The majority of people, however, are still, we think, of opinion that, notwithstanding the weakness apparent at the moment, we may yet see a considerable reaction in April and May owing to increased exports. The Budget in some respects does not favour higher rates, but the reduced amount of Council drafts estimated is a feature in the opposite direction.

GOLD there has not been much done for export during the week. Rates opened at Rs. 19-10-9, but at close Rs. 19 12-6 is the quotation and very little offering at that.

OUR CALCUTTA the rate for demand drafts has recovered to ¼ per cent. pr·mium, but for 60 days' sight we quote ½ per cent. disc unt.

OUR OMRA there is nothing whatever doing, and it is impossible to give a reliable quotation. From Hongkong the latest quotation by wire for 6 months' sight Bank Bills on London is 3 7-16d. per dollar and from Shanghai 4s 11½d. per tael.

GOVERNMENT SECURITIES.—Owing to weak advices from Calcutta where there was a much stronger belief in a new loan than here, rates began to give way immediately after last mail left, and by Thursday a decline of 1 per cent. had been established in Fours and ½ per cent. in Fours-and-a-half. The publication of the Budget with the announcement of a new loan for 5 millions had a most depressing effect, and it has been impossible to ascertain reliable prices since. Transactions are said to have been done in Four-and-a-half Bonds at Rs. 93, which would make New Four-and-a-half equal to Rs. 98, but from Calcutta we hear of quotations ranging from Rs. 92 to Rs. 92½ and from Rs. 97 to Rs. 97½ respectively, which would probably be about the real rates obtainable here for business of any amount. At the moment, however, there are no large buyers, the new loan having been so unexpected as to take all speculation out of the Market, but we shall probably see a better tone established here long, tenders for the 5 crores only being asked for 12th May. As explained elsewhere the amount actually to be added to the registered debt will only be £3,650,000, but the fact of such a large amount as £1,650,000 remaining untransferred of the old 5 per cents, takes people by surprise and will certainly not be in favour of the new operation.

SHARES.—There has only been a very small business of a real character doing this week, but the brokers have managed to keep up a considerable amount of speculation under the influence of which Spinning and Weaving Companies have been pushed up considerably in value. Why Mill shares should advance, however, it is difficult to say, as irrespective altogether of the number of Mills in the Market for sale, the fact of the short time movement having broken down, and the removal of the 5 per cent. duty on such imported goods as compete with local manufactures are strong points against the industry for the time being. In *Spinning* Companies shares we have to notice an advance during the week of Rs. 40 in Alliance and N tional, Rs. 35 in Great Eastern and Manockjee Petit, Rs. 30 in Morarjee Gocouldass, Rs. 25 in Empress and Madras United, Rs. 20 in Oriental, Rs. 15 in Dharumsey and Soondardass, and Rs. 10 in Coorla, Khatau Mucconjee, and Madras. As exceptions to the general rule there is a decline of R·. 70 in Sassoon, Rs. 25 in Victoria and Rs. 5 in Jam·e Bailoo. In Bank shares there has been very little done. Bank of Bombay were firm in the early part of the week with an improvement of ½ per cent., but this has since been lost and the rate closes at Rs. 670. National Bank shares are in request, and have risen from Rs. 110 to Rs. 116. In Land Companies we only notice an advance of Rs. 5 per share in Colaba and Port Canning Press shares are very irregular. Albert Company of Kurrachee have risen Rs. 95, Sind and Punjaub Rs 50, Victoria United Rs. 25, Bombay and East India Rs. 10. Berars have declined Rs. 5. Amongst Miscellaneous Companies we notice a drop of Re. 40 in Bombay Burmah Trading Company.

PIECE GOODS.—For the first two days of the week the Holi holidays prevented any business of importance being done, and later the demand has not been active, the clearances being only estimated at about 1,500 packages from the bazaar and 400 packages from first hands of leading dealers. Accounts from Manchester lately have been stronger, and this, coupled with rising Exchanges renders holders at the close somewhat firmer, but no actual advance in prices has yet been established. Prospects for import are, however, a shade more cheerful as supplies are getting into a comparatively moderate compass, whilst the abolition of the 5 per cent. import duty on Cloths made of 30's Yarns and under, will revive trade in a description of goods which for some years past have been almost entirely supplied by the local mills.

GRAY GOODS.—In Shirtings the demand has been mainly for 8lb. 40 inch, of which considerable quantities have been effected at full previous prices. Other weights of 40 inch have only been in very moderate request and for 45 inch Cloths and upwards, the inquiry is very restricted. In Printers and Madapolams transactions have been limited, but prices are well supported. For Jaconets limited, but the demand tends towards improvement, although values are unaltered. In Dhoties clearances continue small as compared with the liberal stocks available. In *Bleached Goods*, attention has been mostly given to Shirtings, Jaconets, and Muslins, for which in anything rather better rates have been obtainable. Dorias and Leppets are in poor request, and Figured Shirtings are quite neglected. *Dyed and Printed and Turkey Red* Goods show no signs of improvement. Holders are still anxious sellers even at easier rates. Local made goods move off very slowly, and with the mills resuming full time stocks will tend to increase.

TWIST.—The activity apparent last week has not continued, only a very moderate business having been done since last mail left in English Yarns. Prices are unaltered except for 60s. Mule, in which we make a reduction of ¼ anna per lb. For Local Yarns the demand is slightly better, and prices the turn in favour of the mills.

METALS.—*Copper*—Large supplies depress the market, and notwithstanding the downward tendency of Exchange prices are As. 8 per cwt lower. In *Yellow Metal* a similar decline must be quoted, the stock being a head of requirements. *Iron* is dull and difficult of sale, and with the exception of sheets we reduce quotations Annas 8 per candy all round. Stocks are heavy.

COALS.—There is no improvement apparent in the demand, the mills only buying to supply their wants from week to week. The transactions reported from first hands are, about 300 tons Davison's West Hartley alongside the "Ben Voirlich" s. s., now in harbour at Rs. 21, a cargo of Cardiff ex-Salisbury s. s., at Rs. 20¾, and a sailing ship cargo of Eddlewood West Hartley (Scotch), March-April sailing, at Rs. 18¾ per ton alongside.

COTTON.—Influenced by telegraphic accounts from Liverpool our Market has undergone frequent fluctuations during the week. To begin with we opened strong with an active demand, and for a day or two a large business was done at an advance of Re. 1 to Rs. 2 per candy. A quieter feeling then set in and up to Friday afternoon the dullness increased, prices ruling the previous advance, but on Saturday a recovery again took place, and the Market closes firm at Re. 1 to Rs. 2 per candy over last week's figures in everything except ready Broach, which having become more plentiful does not command the extravagant rates of our rash last week.

The purchases in Bombay during the fortnight exclusive of up-country operations sum up a total of about 12,000 bales. Of these about 1,500 bales have been for local consumption—made up chiefly of old cotton—and the remainder for export, consisting of 9,000 bales new Oomrawuttee at from Rs. 176 to Rs. 181 for Good Fair, and Rs. 190 to 193 for Good and 1,500 bales Broach, at Rs. 200 to Rs. 203 for April delivery and Rs. 203 to Rs. 206 per candy ready.

The *Receipts* from up-country to date show the following comparisons.

	1879	1878.	1877.
Receipts for the week.....	25,752	37,374	45,426
Do. since 1st Sept..	262,041	442,359	424,180

The *Clearances for sea* since the departure of last Mail have been 20,310 bales, making a total since 1st January of 111,473, against 201,300 bales for the corresponding period last year or a deficiency for the two months and a half of 89,827 bales. Judging from the slow rate of arrivals into the up-country Markets this deficiency will probably be augmented during the next week or two, and it then remains to be seen whether the whole, or how much of it will be recovered during the remainder of the season. The very general opinion prevails that the six months exports will be under 600,000 bales, and certainly if we are to accept as correct the Commissioner's estimate of the Berar Crop which is only 50 per cent of last year, that figure would not be reached. In our opinion, however, this falling off is exaggerated, and unless the rains set in unusually early we hold to the belief that last season's total will be reached.

The unusually fine quality of the Crop is a noticeable feature this year. Of Omrawuttee we have received almost nothing under Good Fair, whilst all the Broach yet received has been well up to Good in class, and the small sample lots of Dhollera represent unusually good qua ity. The scarcity this year therefore will be in 1st class cotton, and the supply of high class will be equal to what would generally be available out of a much larger yield.

The following are to-day's quotations for full pressed Cotton with the equivalent in Sterling Cost and Freight to Liverpool via Canal, without Commission:—

	Per Candy.	Per lb. C. & F.
New Good Hingunghatt (Nominal) Ready	Rs. 207	= 1/16d.
" F.G.F. do. do. do.	" 202	= 4 15/16d.
" Good M. G. Broach April delivery	" 203	= 5d.
" " Do. Ready	" 193	= 4¾d.
" " Do. April delivery	" 191	= 4 11/16d.
" F.G.F. Do. Ready	" 185	= 4 9/16d.
" G.F. Do. April delivery	" 184	= 4 9/16d.
" Do. Do. April delivery	" 181	= 4½d.
" Good Dholleras "	" 179	= 4 7/16d.
" F.G.F. Do. "	" 187	= 4½d.
" G.F. Do. "	" 182	= 4½d.
" Ginned Dharwar May "	" 190	= 4 11/16d.
" Compta do.	"	No quotation.

The visible supply of Cotton for all Europe on 14th instant compare with the corresponding date of the two previous years as follows:—

	1879.	1878.	1877.
Total supply of all kinds.	2,430,000	2,702,780	3,028,310
" " Surats.	234,000	264,980	341,730
For the U.K. only the figures are:—			
Stock in Liverpool.....	552,000	703 660	1,073,490
Do. London.....	63,000	9,490	29,430
American afloat.....	320,000	244,000	211,000
E. Indian "	56,000	61,000	124,000
Total.....	991,000	1,018,150	1,437,920
Price of Mid. Orleans...	5¾d.	6 5-16d.	6 9-16d.
" Fair Dhollera...	4 5-16d.	5d.	5 3 16d.
Difference.....	1 3 16d.	1 5-16d.	1¾d.

The American crop figures to date give the following comparisons with the two preceding seasons:—

	1879.	1878.	1877.
Week's Receipts.....	79,000	81,000	44,000
" Exports to U.K....	67,000	56,000	41,000
" " Continent.	85,000	53,000	25,000
Total Receipts since 1 Sept.	3,282,000	3,730 000	3,649 000
Exports to U.K....	1,565,000	1,919,000	1,559 30
" " Cont nent.	1,198,000	997,000	747,000
" Stock in the Ports.	640,000	722,000	811,000

SEED.—*Linseed*.—Supplies are still restricted, only a few small lots of New Crop having yet been received. The quotation remains firm at Rs. 6-9 per cwt. *Rapeseed*.—The stock of old seed is insignificant, and although very inferior in quality commands 6 16 per cwt. Some small parcels of New Crop of fine quality have been sold at Rs. 7-4. *Gingelly* continues in active demand at from Rs. 40 to Rs. 43 per candy according to quality.

PRICES OF BULLION, &c.

Sovereigns, each	Rs. 12-8-6
Caroline	" 224
Mexican Dollars	" 223
Five-Franc Pieces	" 240
Bar Silver, 17 to 17½ betterness	" 106-6
Gold Leaf	" 10-13
Bar Gold, 10 oz. English, 100 touch	" 19-12-6
Australian Gold, 100 touch	" 19-10-9
Pekin Gold Bars	" 19-5

BANK OF BENGAL.

THE following is the statement of the affairs of the Bank of Bengal for the week ending 12th March compared with that for 4th March:—

LIABILITIES.	4th March. Rs. A. P.	12th March. Rs. A. P.
Capital	2,00,00,000 0 0	2,00,00,000 0 0
Reserve Fund	20,25,095 0 0	18 85,975 0 0
Treasury Balance	2,05,40,994 6 4	2,21,95,892 5 3
Other Deposits	2,75,48,103 10 8	2,51,60 892 11 6
Seven Fourth Bills, &c.....	8,64,285 12 0	8 44,989 10 2
Sundries	8,87,213 11 2	8,84,103 11 5
Rs.	7,13,66,892 8 2	7,09 85,860 6 4
ASSETS.	Rs. A. P.	Rs. A. P.
Government Securities ...	73,45,834 8 0	73,22,788 8 0
Loans on Govt. Securities.	56 2,247 12 0	55,22 095 11 0
Debts on Bills	68,8,,163 3 4	73 08,886 3 1
Bills Discounted	2,90,,9,345 10 4	2,86,96,361 10 11
Balances with other Banks	9,16,,26 6 0	9,5,,806 4 3
Bullion:		
Dead Stock	9,77,913 2 9	9,77,455 1 1
Stamps	6,,83 0 0	7,167 8 6
Sundries	3,03 887 6 4	1,95,158 11 9
Cash at Head Office	62,,6,,580 5 1	80,,88,,29 0 1
Do. at Branches	2,02,,0,,839 2 4	1,77,18,938 11 8
	7,13,66,892 8 2	7,09,85,860 6 4

SHIPPING INTELLIGENCE AND LISTS OF PASSENGERS BY SEA.

THE s.s. MARINA, 861 tons, Captain R. Ramsay, sailed on Saturday last for Havre via Kurrachee, with a general cargo.

THE s. s. GORUN, 162 tons, Captain G. J. Baker sailed on Saturday last for Coast and Cutch, with a general cargo and 310 deck passengers.

THE s. s. KOLNA, 706 tons, Captain G. Doerr, arrived in harbour on the 15th inst. from Jeddah, 16th Feb., via Hoodooda and Aden, with a general cargo and 467 pilgrims.

THE B. I. S. N. Co's s. s. MALDA, 1,268 tons, Captain J. Lang, sailed on Saturday last for Coast and Calcutta with a general cargo, and the following passengers:—Mr. H. Brassington and 13 deck passengers.

THE SHIP YEDBURGH, 1,771 tons, Captain H. Langley, arrived in harbour on the 14 h inst. from Cardiff, 9 h Feb., with a cargo of 2,447 tons coals. The vessel is consigned to Messrs. Macaulay and Co.

THE B. I. S. N. Co's s. s. AKOLA, 315 tons, Captain J. W. S cuart, will sail to-day for Kattywar Coast and Kutches, with a general cargo, and the following passengers:—Sub-Conductor and Mrs. H. Ward and 3 children, and 100 deck passengers.

THE s. s. WILLIAM BUCKETT, 1,231 tons, Captain George W. Freeman, arrived in harbour on the 15th inst from London, 11th Feb., with the following cargo, —90 packages piece goods, 7 casks blacking, 267 casks beer, 56 packages and 17 bolts copper, 100 cases brass, 2 cases metal, 456 cases wine and spirits 102 cases gin, 24 packages wine, 174 packages glassware, 40 casks coal pitch, 25 casks coal tar, 139 cases matches, 1,047 bars and 306 bundles iron, 26 cases chimney, 33 cases ilmenite ore, 25 cases slate pencils, 153 casks provisions, 253 casks paint and oil r, 154 kegs iron nails, 58 packages papers, 165 drums oil, 240 cases candles, 9 packages earthenware, 40 cases soap and many packages merchandize. The vessel is consigned to Messrs. McCulloch, Boyts and Co.

ARRIVALS.

Mar.	Vessels.	Commanders.	From.
14	Yorkshire (s).....	Lousley	Cardiff. Feb 9.
15	Kooja (s).....	Doerr	Jeddah, Feb 16.
	Willis Burkitt(s)	Green an	Calcutta, Feb 8.
	Macassar	Gimen	Bordeaux, sept 6.
	ago (s).....	Caddock	ewe s le, Feb 8.
16	Hazard (s).....	Ayers	Calcutta. Feb 21.
	Tebe (s).....	Zurich	Oeste, Feb 26.

DEPARTURES.

Mar.	Vessels.	Commanders.	Destination.
15	[. G. Dalhousie(s)..	Power 1	Vingorla.
	India(s).....	Read	Liverpool.
	Southern Chief	iggins.....	Jaffa.
	Irina	degeletin ..	Mauritius.
	Marina (s).....	t-mesy —	Havre via Kurrachee.
	Gorun (s).....	daker.....	Coast and Cutch
	Malda (s).....	ung	Coast and Calcutta.

The steamer Akola, Stewart, to K. Coast and Kurrachee, obtained her port clearance on Saturday last.

DAILY IMPORTS.—MARCH 15.

FROM LIVERPOOL.

India s—5 casks paints, Abdoolally Sumsoodin

Macedonia s—4 cases brasswire, Bhicoo Sasha and Co.; 22 cases clocks, Morarjee Megjee.

FROM LONDON.

Alnwick Castle s—15 cases eau de cologne, Bell, Brandenburg and Co.; 30 cases whiskey, 25 casks beer, and 5 cases silmanstores, Jehangir Rustomjee and sons; 45 cases old tom, Dhunjeebhoy Cawasjee; 10 cases matches, Abdoolally Dawoodkhan; 5 cases color, Tyebally Surrafally and Co.; 6 casks earthenware, Nuthoobhoy Jewajee and Co.

Singapore s—50 cases matches, Abdoolally Dawoodkhan; 2 bales wall papers Abdoolally Sumsoodin; 15 cases printing paper, Bhicoo Sasha and Co.

Centurion,—2 0 casks pale ale, Wallace and Co.; 150 cases old tom, D. D. Shah; 10 casks color, Tyebally Surrafally and Co.; 10 crates earthenware, Hajee Sewjee; 2 bales wall papers, Abdoolally Sumsoodin; 39 packages papers, Bhicoo Sasha and Co.

Escurial s—27 cases tobacco pipes, Gulamally Jewanjee and Co.; 8 casks white lead, Ebrahim Abdool Caim; 50 cases gingerwine, D. D. Shah.

Cathay s—25 drums linseed oil, Abdoolhoosein Tyebjee.

FROM GENOA.

Australia s—175 cases brandy, Sorabjee Cowasjee; 50 cases vermouth, D. D. Shah.

FROM BORDEAUX.

Australia s—26 cases brandy, D. D. Shah.

DAILY EXPORTS.—MARCH 15.

FOR LIVERPOOL.

Macduff,—47 bales cotton, Ritchie, Stewart and Co.

Marina s—32 b les wool, Bhimjee Madhowjee; 35 bales wool, Nurse Jethia; 86 bales cotton, Dhunjeebhoy Hormusjee Khan.

Evesham Abbey.—500 bales cotton W and A Graham and Co.

India s—950 b les cotton, Peel, Cassels and Co; 93 bales cotton, Crich ad Ranjee.

Hesekiah s—50 bales wool, Goculdass Toolseedas.

Knight Companion—500 bales cotton, W and A Graham and Co

Mirzapore s—500 cwts myrabollams Jaitha Purshotum 44 cwts gum and 94 c tsbilibnah, Manuk Lockmarey; 192 cwts coiryam, 1 ½ serwanjee, 4 bale hides, R zubally Allyroze; 5 cwts D hor s, Chhibbhoy Jamas ts cwts Manerji Rimbhoy Alladinbhoy; 114 cwts ginger, Nanjee Govindjee; 16 cases gum and 2 cases mother of Pearshells, Allimanee Hasham.

Sumatra s—2 boxes gold bars and coins (Rs 2 99,900 Curumsey Dawjee; 8 boxes gold bars and coins (Rs 492,400). The C M Bank of I L and China.

FOR MARSEILLES.

Singapore s—1,785¼ cwts linseed, Finlay, Scott and Co; 4,002 cwts gingelly seed, Balli Brothers; 1,425 cwts teel seed, Ewart, Latham and Co.

Sumatra s—2 cases shawls, The French Bank.

FOR GENOA.

Singapore s—2601 cwts teelseed, Killick, Nixon and Co; 100 bales cotton, Caddum and Co; 100 bales cotton, Peel, Cassels and Co; 100 bales cotton, Volkart Brothers.

FOR TRIESTE.

Sumatra s—15 bales cotton, Volkart Brothers.

Lumbley Castle s—450 bales cotton, W and A Graham and Co.

FOR SUEZ.

Sumatra s—13 cwts china roots, 184 cwts sambere, and 21 bags nutmegs, Womerchoy Chandabhoy; 8 packages silk, 41 cases indigo, Hajee Zunell Abedin.

FOR CALCUTTA.

Malda s—97 bales cotton, Ramdyall Molliram.

FOR YOKOHAMA.

Nizam s—40 bales twist, Dewjee Premjee; 50 bales twist, Ardaseer Merwanjee.

FOR HONGKONG.

Nizam s—62½ cwts khismiss and 2 cwts dry dates, Sallybhoy Jafferbhoy; 50 bales twist, S N Tulstee; 25 bales twist, E D sassoon; 50 bales twist, Tata and Co; 130 chests opium, David Sassoon and Co; 71 bales twist, Ebram Noordin and Co; 5 cases sharkfins and fishmaws, Goolamhoosein Jumahamed; 36 cases sharkfins, Mahomed Rowje; 27 bales twist, Jairazbhoy Peerbhoy; 44 cwts Etin, 15 cases fishmaws and 10 cases sharafins, Ludhabhoy Chuttoo.

FOR SHANGHAI.

Nizam s—29 chests opium, Tarachund Luchmiaron; 8 chests opium, Jeshangbhoy Hirjibhoy and Company; 22 chests opium, Cursetjee Bomanjee and Co; 10½ chests opium, Tata and Co; 20 chests opium, Magonlall Purbhoodas; 49½ chests opium, Nowrojee Framjee; 45 chests opium, Magonlall Venichund; 24 chests opium, Tarachund Gunshamdass; 71 chests opium, David Sassoon and Co.

HIGH COURT.—MARCH 17.

[Before the Honorable SIR CHARLES SARGENT.]

(The sitting will take place in the New High Court building, Court B No 43, second floor, Northern part.)

In the matter of the Albert Mills Company, for appointment of Official Liquidator.

Act X of 1866—Smith and F—In the matter of the Mandwi S W and Presses Company—Cursetjee Jehangir Tarachund—Petitioner.

For Consent Decree, &c.

689-77—Jefferson and P—Cowasjee Pallonjee vs Jaijee—Rimington H and C.

591-77—Ardeshir and H—Dhunbaijee and another vs Cowasjee Pallonjee and others—A and H, J and F and R, H and C.

Summary Suits.

191-79—Shapurjee and T—Munsukhlal M Munshi vs The New Dhurrumsey Poonjabhoy S and W Company.

192-79—M M Munshi—Manekial Keshavlall vs The New Dhurrumsey Poonjabhoy S and W Company.

Such of the following New Long Causes fixed for the 17th instant, which either party has informed the Prothonotary or the Deputy Registrar, will be defended, will not be called on until any Consent Decrees and Undefended suits in the list are disposed of. Defended suits will stand over and be taken after suit No. 426 of 1878.

Suits for hearing and final disposal.

NEW LONG CAUSES.

36-79—Shapurjee and T—Jadowjee Gopal and others vs Jaitha Shamjee and another.

50-79—Ivescot and W—Bhumuntram Pitty vs The Chartered Bank—Craig c L and J.

51-79—Jefferson and P—Rahimtoola Cadurbhoy vs C Bounevialle.

54-79—Mirza H Khan—Abdool Rahimon bin Ally Musharee vs Syed Mohomed bin Syed Hoosein.

56-79—Shapurjee and T—Khetsidas Sumruthroy vs Sir A D Sassoon and others.

63-79—Lynch and T—Meplo Chawa Kara Killote vs Ruttonjee Nusserwanjee Cowasjee.

64-79—Lynch and T—Meplo Chowa Kara Killote vs Ruttonjee Nes erwanjee Cowasjee.

65-79—Shapurjee and T—Nathubdass Jairam vs Premchund Roychund and another.

66 79—Bhaishanker N—Nemchund Melapchund vs The Fleming S and W Company.

67-79—Shapurjee and T—Khetsidass Sumruthroy vs E D Sassoon.

LONG CAUSES STANDING OVER.

21-79—Shapurjee and T—Dhunjee Likhmidass and others vs Dinshaw Manockjee Petit—Craigie L and O.

For investigation under Sec. 4 8 of Act X of 1877.

In Person—Mariamlub and others vs Abdoolla bin Peer Buksh and other.

402-78—Chak and W—Gujanund Crushnarao vs Vithuldass Narotumdass and others—B N. and B and B.

428-78—In person—Harrichund Dashrath vs Jotiram Vithoba—H Bicknell.

[Before the Honorable Mr. JUSTICE BAYLEY.]

[The sitting will take place in the New High Court building, Court C No. 40, second floor, Northern part.]

The Chamber business will be taken in room No. 53, second floor South end.

Suit for hearing and final disposal.

LONG CAUSE.

98-78—Muljee and B—Burjorjee Dorabjee and another vs G W Terry—R V Hearn—Part heard.

MILITARY INTELLIGENCE.

ARRIVALS.—MARCH 14.

Prendergast, Surg. on duty from Ahmednager.

Barr, Major, 2-16th Regt, on duty, from Poona.

MARCH 15.

Pierson, Major, R. A., on sick leave, from Amritsar.

Wodehouse, Major, R A, on duty, from Saugor.

Coakes, Major General, R. A. on retirement, from Kamptee.

DEPARTURES.—MARCH 15.

Selby, Lieut, R E, on duty, to Nusserabad.

Stewart, Col, R E, on duty, to Dinapore.

Prendergast, Surg, on duty, to Belgaum.

THE BOMBAY VOLUNTEER RIFLE CORPS.

REGIMENTAL ORDERS

BY LIEUT. COL. SEXTON, COMMANDANT, B. V. R.

Head-quarters, Bombay, 15th March 1879.

1. No. 815 Vol W F Thomson proceeding to Poona, is permitted to take his arms and accoutrements with him and is temporarily attached to G° Company at that station.

2. The following promotions take place in D° Company from the date viz:—

Vole: Thomas and Parratt to be Lance Corporals, and Corpl Morris to be Serjt.

3. The undermentioned having joined are taken on the strength and posted to Companies as follows, viz:—

No 886 Vol Fowler, G, C Company.

" 87 " Bedford, J W, D "

" 888 " Wright, A, E "

By Order,

F STOKES, Captain,

Adjutant, B. V. R.

OVERLAND SUMMARY OF THE BOMBAY GAZETTE.

(Compiled for despatch by to-day's Mail.)

Price—As. 4 per Copy.

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Latest Telegrams.
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CALENDAR FOR MARCH 1879.

PHASES OF THE MOON.

Last Quarter.....15th, 8h. 32·1 m. a.m.

Date.	Remarks.	Sun rises. A.M.	Sun sets. P.M.	High Water.	Low Water.
March:		H. M.	H. M.	H. M.	H. M.
Mon. 17	St. Patrick.	6 8	6 8	6 39 m	0 58 m
				8 14 a	1 9 a
Tues. 18	.....	6 7	6 9	8 21 m	2 35 m
				9 16 a	2 34 a
Wed. 19	English Mail expected	6 7	6 9	9 25 m	3 33 m
				9 58 a	3 31 a
Th. 20	.....	6 6	6 9	10 13 r	4 16 m
				10 33 a	4 16 a
Fri. 21	.....	6 5	6 9	10 59 m	4 46m
				11 0 a	4 51 a
Sat. 22	.....	6 4	6 10	11, 21 m	5 13 m
				11 26 a	5 21 a
Sun. 23	4th Sunday in Lent.	6 4	6 10	11 52 m	5 38 m
				11 52 a	5 53 a

NOTIFICATION.

HIS EXCELLENCY the GOVERNOR will hold a LEVEE in the New Secretariat, Bombay, on THURSDAY, the 20th March 1879, at 5 p.m.

Gentlemen purposing to attend are requested to bring TWO CARDS with their NAMES LEGIBLY WRITTEN on each: one Card will be delivered to the Aid de Camp at the entrance, and the second to the Aid-de-Camp in Waiting at the time of presentation.

Officers and Gentlemen wearing Uniform will appear in FULL DRESS; Gentlemen not wearing Uniform in EVENING DRESS.

The Levée will be closed by the presentation to H. E. of the Native Officers of the Body Guard and of the Native Regiments at Bombay by their Commanding Officers according to seniority of Corps.

The Carriages of Gentlemen who have the Private Entree will set down at the Main Entrance.

All other Carriages will set down at the North Door and take up at the South Door.

By Order,

E. S. RIVETT CARNAC, Major,
Military Secretary to H. E. the Governor.
Military Secretary's Office, Malabar Point, 10th March 1879.

DOMESTIC OCCURRENCES.

[THE CHARGE FOR NOTIFYING A DOMESTIC OCCURRENCE IS TWO RUPEES, THE ANNOUNCEMENT MUST BE AUTHENTICATED.]

EUROPE.

DEATH.

HODGART—February 11th, at Paisley, Scotland, suddenly, John Hodgart, for many years Foreman, H. M.'s Mint, Bombay, aged 66 years.

BOMBAY.

BIRTH.

AUSTIN—March 15th, at Nesbit Lane, Byculla, the wife of F. T. V. Austin, of a daughter.

DEATHS.

GHASE—February 28th, on board the P. and O. Steamer Pekin, near Aden, Morgan Binny Chase, of the Oriental Bank Corporation, Bomb

need hardly insist further upon the danger of keeping open between two great communities of Her Majesty's subjects an irritating controversy which can be closed by one, and only one solution. It is difficult to overstate the evil of permitting an industry so large as the cotton manufacture in India is certain to become, to grow up under the influence of a system which a wide experience has proved to be unsound, and which is opposed to the deliberate policy of England, nor can I view without serious apprehension, unless it should be the result of natural causes, the gradual contraction of a trade which constitutes one of the strongest bands of material union between England and India."

200. In thus ascribing great weight to the political reasons for the removal of these duties, the Government of India desires that its motive may not be misunderstood. It is not for the sake of averting an embittered controversy yielding anything which it would otherwise be unwilling to concede. The impossibility of maintaining protective duties is indisputable and obvious. Such duties must, sooner or later, inevitably be removed wherever they are to be found. The existing duties are a great variety of articles comprised in the Indian Tariff are, as was shown in the Financial Statement for last year, undoubtedly protective; and they are constantly becoming more so, as the industrial and manufacturing resources of India develop. But the removal of protective duties must necessarily be a work of time, dependent on the state of the finances and on the expedients which can be devised for replacing the revenue lost. The Government of India deems it right to begin by a single measure of relief which will at once and directly reach one great and important branch of manufacturing industry, rather than by spreading its exemptions over a large area in which their effect, though not lost, might be ill defined and uncertain.

201. The measure now announced has been adopted in the sincere belief that it is required by the true interests of the people of India. The late Viceroy, the Earl of Northbrook, declared that "in all Financial questions those interests are the only considerations which the Government of India has to regard." The Governor General in Council unreservedly repeats that declaration. This measure will be a serious step towards the fulfilment of the pledges repeatedly given by the Secretary of State and by the Government of India—pledges which received the strongest possible confirmation from the Resolution adopted by the House of Commons on the 11th July 1877, without a division :—

'that in the opinion of this House, the duties now levied upon cotton manufactures imported into India, being protective in their nature, are contrary to sound commercial policy, and ought to be repealed without delay so soon as the financial condition of India will admit."

202. The Tariff Commission has also completed its enquiries regarding revised valuations and the other matters, which, as shown by the instructions published in Appendix A, have been referred to it; and on the result of these further enquiries the Commission has submitted a second report, which, with one exception, there is time to consider in detail.

There has been no general revision of the Tariff Valuations since August 1875, but it has been urged upon the Government by Chambers of Commerce and others that in instances these valuations are much above the market rates, a statement which remarkable confirmation from the prices (Table IV of Appendix B. The facts not indisputable, and it is obviously in the Government to correct errors of the practical effect of which is to increase customs duties beyond the amounts by law.

The Governor General in Council has fully resolved to sanction at once the changes recommended by the Commission, will come into effect from the 1st April notification carrying out this decision now been published.

The net decrease of duty consequent on measure has been estimated by the Commission at £54,424, of which £42,926 is on account of cotton goods. The exemption from duty of grey goods made of yarn of 30s. and under will reduce the total loss from the revised Tariff valuations by £11,500, and the actual net estimated loss will be £42,000. In accordance with the advice of the Commission and of the Calcutta and Bombay Chambers of Commerce, it is the intention of the Government that the Tariff valuations should in future be revised annually.

206. In connection with the subject of Customs duties, it may be mentioned here that the Government of India has, for some time past, had under consideration the necessity of imposing more complete checks on the system by which, through a large part of India, octroi duties are levied for municipal purposes. The Government of India has emphatically condemned the imposition of local taxes on articles which have been either subjected to or relieved from imperial taxation, and has insisted that that the duties actually levied shall in all cases fall solely upon articles locally consumed, and shall not be allowed to become taxes on through traffic, or to affect injuriously the general trade of the country.

207. Although much has been done in this respect towards the enforcement of appropriate rates, continued attention will be given to the subject so that there may be no danger of finding that the principles by which the Government of India is guided in regard to its commercial legislation have been set aside by local authorities, and that the efforts taken to free the trade of the country from impolitic restrictions have not thus been frustrated.

208. *VIII § 10, Salt.*—Revenue £100,000 more. Expenditure decreased £36,000. This is owing to the abolition of the Customs Line, which will be almost wholly removed on the 1st April next, saving £60,000 a year. But a portion of this saving will be required for establishments at the Salt Sources acquired from the Native States in Rajputana. The Treaty payments in 1879-80 are estimated at £260,900. The net salt revenue of 1879-80, after providing those payments, is now estimated at £6,356,100, being nearly £40,000 more than this year, notwithstanding that, as explained in the Regular Estimate, the reduction of duty on the 25th July last in Upper India and Bengal is calculated to cause a loss of £150,000 in 1879 80 in excess of the loss in 1878 79. The local estimates and the growth of this branch of the revenue fully justify the estimate now made.

209. *IX. § 10, Opium.*—Revenue less £347,000. Expenditure more £737,000. Net worse £1,084 000. Net Revenue £6,500,000. The Revenue has only once (1869-70) been estimated higher than this. The amount of Bengal Provision Opium advertised for sale in the calendar year 1879 is 5,000 chests a month, half Behar and half Benares. The sale of this quantity will leave 31,622 chests of the crop 1877-78 in reserve on the 31st December 1879, as follows :—

Behar	8,393
Benares	23,229
	31,622

being less by 16 860 chests than the corresponding Reserve on the 31st December 1878.

210. In future, the Government do not intend to advertise a year's provision at once, but only to announce the provision which will be offered for sale monthly till further notice given at least twelve months before the monthly provision is altered. Accordingly, it has been notified that 4.700 chests a month will be sold in January 1880, and, month by month, thereafter until further notice, and that this provision will be neither increased nor decreased till further notice. The Notification is reprinted verbatim below :—

It is hereby notified that in the month of January 1880, and the ensuing month by month, till further notice, four thousand seven hundred chests of Bengal Opium will be sold under the usual conditions by auction in Calcutta as follows, *viz.* :—

Behar Opium	..	..	2,350 chests
Benares Opium	..	..	2,350 "
TOTAL	..	..	4,700 "

2. This Monthly Provision of 4,700 chests of opium will neither be increased nor diminished until at least twelve calendar months after notice published in the *Gazette of India* under the signature of a Secretary to the Government of India, or in the *Calcutta Gazette* under the signature of a Secretary to the Government of Bengal.

3. The division of the Monthly Provision of 4,700 chests of opium into 2,350 chests of Behar Opium and 2,350 chests of Benares opium will not be modified until at least six calendar months after notice published in like manner.

4. Provided always that nothing in this Notification shall be understood to prevent the Government, or the Chief Authority to whom the Government may delegate the duty of superintending the sale of Bengal Provision Opium, from selling two Monthly Provisions within one calendar month, instead of in the two successive calendar months in which they would otherwise be sold, whenever the occurrence of Public Holidays or any other circumstances shall appear to the Government to make such modification of the regular course of the Monthly Sales convenient.

5. Provided also, that any chests of opium of which delivery is not taken by the purchasers may be sold in any subsequent month in addition to the 4 700 chests provided for that month.

A principal object with which the Government has accumulated the opium reserve is that the Provision offered for sale may not fluctuate with every fluctuating crop. The Monthly Provision of 4,700 chests now settled with effect from January 1880 will not be increased unless the Reserve should become considerably inflated, or decreased unless it should become considerably attenuated. The prospects of the present crop, both in Malwa and Bengal, are, as yet fair; but it is hardly perhaps to be expected that Bengal will yield 56,400 chests, which is the quantity which, unless some unforeseen obstacle arises, will be sold in the calendar year 1880. The average produce of the last ten years has been 51,552 chests; the average of the last seven years has been 53,367 chests; and that for the last five years (two of them extraordinarily productive) 56,966 chests.

211. *X. § 12 Stamps.*—Revenue more £16,000. Expenditure less £5,000 Total improvement £21,000. Net Revenue £2,976,000.

212. The new General Stamp Act 1879 is not designed to cause any direct addition to the Revenue; but there is reason to hope that its careful provisions as to procedure may be productive of revenue by preventing fraud and negligence which now cause loss.

213. *XI § 13, Mint.*—Revenue more £8,000. Expenditure more £8,000. The net result is thus the same as the Regular Estimate for 1878-79.

EXPENDITURE, 1879-80.

214. *1 § XXI. Interest on Debt.*—Expenditure more £346.000. Revenue more £22,000. Net more £324.000. Provision is made here for an addition of £5,000 000 to the Registered Debt of India during the year.

215. The following table contains the usual statistics of the Funded Debt of India :—

Estimate Debt of the Government of India on the 31st March 1879.

(Sterling and Rupees combined on the assumption that £1=Rs. 10.)

RATE OF INTEREST.	CAPITAL AMOUNT OUTSTANDING. Sterling.	Rupees.	Silver converted at the rate of Rs. 10 per £ (the average value of silver during the last 10 financial years).	Value in Rupees.	A year's interest thereon.
	£				(sanction only.)
5½ ..	..	1,20,51,700	..	1,26,81,700	3 47,920
5 ..	17,200,000	6,03,96[illegible]	..	17,80, 3,00	89,0 ,150
4½ ..	..	15,53, 6,00	..	15,53,28,900	69,89,710
4 ..	3,176,)	06,10,71,986	..	1,03,28,81,986	4,13 1, 89
4 ..	..	..	1,23,81,685	1,23, 6,685	4,92,267
3½ ..	..	2,50,000	..	2,50,0 0	10,.00
3½ ..	..	6,5 ,000	..	6,52,00	22 823
Nil ..	21,60	5,99 1 0	..	6,06,100	*Nil*
	0,397, 0	77,63,54,6 &	1,23,08,685	1,39,26,31,830	5,8 ,76,647

216. The Capital of the Railway Companies and Madras Irrigation Company is £98,103,546, the interest upon which amounting to £4,690,000 is guaranteed in gold in London from Indian Revenues. The total Debt of India, therefore, of all kinds is as follows :—

	Capital of debt.	A year's interest thereon.	The same, the interest being paid in gold by the conversion into silver at the rupee equivalent to the exchange of 1879-80.
	£ Rs.	£ Rs.	Rs.
Interest payable in silver	Rs. 76 37 9 ,385		
Ditto ditto in silver, or, at the option of the Government, in gold at a rate equivalent to its value in silver	£60,397,000	Rs. 4,22,267	5,99,947
Ditto ditto in gold	Rs. 1,23,06,665	1,45,13,650	2,06,150
Capital on which interest is guaranteed by the Secretary of State in Council (exclusive of the Railway Companies and Madras Irrigation Company's capital on which guaranteed interest payable in gold.)	£20,136,546	1,01,72,00,000	1,44,00,000
Total Capital debt	Rs. 77 60,54,050 £165,960,211	2,70,20,78,545	Rs. 3,82,12,,240 £27,233,450

Total Debt of India classified according to the standard (gold or silver) by which it is paid, and brought to the common standard of silver at 1s. 7d., being the estimated average exchange of the year 1879-80.

	Capital of debt.	A year's interest thereon.	The same, the interest being paid in gold by the conversion into silver at the rupee equivalent to the exchange of 1879-80.
	£ Rs.	£ Rs.	Rs.
Capital of debt, the interest on which is paid in silver, or, at the option of the Government, in gold at a rate equivalent to its value in silver.	Rs. 76 37 9 ,385 £60,397,000	Rs. 4,22,267	5,99,947
Capital of debt, the interest on which is paid in gold.	Rs. 1,23,06,665	1,45,13,650	2,06,150
Capital on which interest is guaranteed by the Secretary of State in Council (exclusive of the Railway Companies and Madras Irrigation Company's capital on which guaranteed interest payable in gold.)	£20,136,546	1,01,72,00,000	1,44,00,000
Total Capital debt	Rs. 77 60,54,050 £165,960,211	2,70,20,78,545	Rs. 3,82,12,,240 £27,233,450

217. The average rate of interest upon the whole Debt is now 4·45 per cent. Last year, thus calculated, it was 4·53 per cent.

218. 2, *Interest other Accounts.*—More £10,000, The claims of the Civil Funds grow year by year.

219. 4, *Land Revenue.*—Increase £83,000. £19,000 of this is for Village Services in Madras. The rest is chiefly due to Survey and Settlement operations. Of the whole increase, only £28,600 falls upon the Imperial Treasury, Provincial and Local funds bearing the remainder.

220. 14, & *XII, Post Office.*—Expenditure more £74 000. Revenue more £73,000. Net expenditure £97 000; as nearly as possible the same as in the Regular Estimate.

221. 15 & *XIII, Tel graph.*—Expenditure more £60,000. Revenue more £4,000. Net worse £56,000. Net Expenditure £151,000 This includes 1½ lakhs for Frontier Telegraphs.

222. 16, *Administration.*—Increase £14,000; chiefly in the Government of India Offices.

223. 17, & *XIV. Minor Departments.*—Expenditure more £12 000. Revenue less £8,000. Net Expenditure more £20,000. Net Expenditure £317,000. Proceeds sales of Chinchona not estimated so highly.

224. 18, and *XV, Law and Justice.*—Expenditure less £19,000. Revenue more £14,000. Better altogether £33,000. Some decrease in the price of food expected.

225. 19 § *XVI, Police.*—Expenditure more £47,000. Revenue more £20,000. Net Expenditure more £27,000; in Burmah, where improvement in this Department has long been urgently needed. Net Expenditure £2,239,000.

226. 20 § *VIII, Marine.*—Expenditure less £51,000. Revenue less £27,000. Net Expenditure less £24,000. Net Expenditure £340,000. Survey Steamer built this year.

227. 21 *VXVIII. Education.*—Expenditure more £39,000. Revenue less £6.000. Net Expenditure more £45 000. Net Expenditure £886,000. Increase general (£19,000 under Local Funds.)

228. 22, *Ecclesiastical.*—Increase £3,000. The Expenditure this year is abnormally low.

229. 23 § *XIX, Medical.*—Expenditure more £16,000. Revenue less £14,000. Net Expenditure more £30,000. Net Expenditure £640,000. Chief increase in Bengal.

230. 24 § *XX, Stationery and Printing* —Expenditure more £27,000. Revenue less £2,000. Net Expenditure more £29,000. Net Expenditure £490,000. The continual increase of this expenditure deserves the attention of the Local Governments; the service is now chiefly Provincial.

231. 25, *Political.*—Decrease £74,000. Arrears of subsidy paid to Khan of Khelat this year.

232. 26, *Allowances and Assignments.*—Increase £76,000. Salt payments in Rajputana (£260,900) exceed this year's payments by £96.300.

233. 27. *Civil Furlough Allowances.*—More, £1.000. Expenditure this year unusually low. This item is now steady.

234. 28 § *XXII, Superannuations.*—Expenditure less £58,000. Revenue less £152,000. Net Expenditure more £94,000. The retirement of the Subscribers to the Bombay Medical Fund this year increased this expenditure by £68 738. The loss of revenue is nominal, the balance at credit of several of the Military Funds being now exhausted. The transfers to Revenue this year will be less than last year by £143,113.

235 These Funds, the transfers from which have for so long disturbed the Finances, were as follows :—In each of the three Presidencies there were a Military and a Medical Fund, and in Bengal there was also a Military Orphan Fund —seven Funds in all. The transfers in 1879-80 will exhaust the balances of all but the Bengal Military Orphan Fund and the Madras Medical Fund.

236. 30, *Famine Relief.*—£10,000 is provided for expenditure in the North-Western Provinces and Oudh from Provincial Funds. It is earnestly to be desired that no more expenditure may be called for under this Head.

237. 31 § *XXIV, Public Works Ordinary.*—Expenditure more £219,000. Revenue less £39,000. Net Expenditure more £258,000, of which £100,000 is caused by the transfer of that sum from 39, *Productive Public Works*, to cover the cost of the Public Works establishments in excess of requirements. Net Expenditure £4,418,000.

238. These excess establishments have been caused by a variety of circumstances. Active measures are in contemplation to reduce the superfluous establishments which are as injurious to the Departmental Administration as to the Finances. Meanwhile the Government consider that no part of the cost of these superfluous establishments can properly be excluded from the ordinary expenditure and treated as productive Public Works Capital Expenditure. The remaining excess expenditure is explained by the Local Governments having, at the request of the Government of India, curtailed their expenditure this year.

239. 33 § *XXVI, Irrigation and Navigation.*—More expenditure £164,000; more Revenue £44,000. Net Expenditure more £120,000. A large outlay from Local Funds is contemplated upon the Calcutta Canals and on some other works in Bengal. Net Expenditure £249,000. Net Expenditure on both classes of Ordinary Public Works £4,667,000.

240. 34 § *XXVII, Guaranteed Railways.*—Upon the face of the Estimates revenue less £1,000; Expenditure less £93,000. Net better £92,000.

241. But, as in the Regular Estimate, the comparison can most conveniently be made by the Table V in Appendix B. That Table shows that the Net Traffic Earnings are estimated to be the same as this year; that, partly owing to an increase of £56,000 in the charge for sterling interest, but much more owing to the farther fall in the exchange, the interest is expected to cost £300,300 more than this year. Against this is to be set surplus profits payable to the Companies less by £167,700 and a saving in the loss on the Capital Transactions. Altogether the Guaranteed Railways are estimated to cost £1,591,600, being £101,200 more than this year and more than in any year since 1872-73. The chief cause, it is needless to repeat, is the fall in the exchange which has seriously increased the charge for interest guaranteed on the Capital of the Companies. The contracts with most of them being for the remittance of this interest at 1s. 10*d.* the rupee and with one of them (the Oudh and Rohilkhand Company) at 2s. the rupee, a substantial part of the loss falls upon the State even when Surplus Revenue is earned. When no surplus is earned the whole loss is borne by the State.

PURCHASE OF THE EAST INDIAN RAILWAY.

242. By its contract with the East Indian Railway Company, the Government of India provided, free of charge to the Company, all the land on which the Railway is laid, and guaranteed, from the Revenues of India, five per cent. interest on the capital of the Company payable in sterling in London.

243. All the earnings and all the working expenses of the Company pass through the Public Treasury and Accounts; if the Net Traffic Earnings of the Company exceed the sum in rupees which at 1s. 10*d.* the rupee suffices to provide the guaranteed sterling interest, half the excess is appropriated to the repayment of the interest advanced by the Government during the many years for which the Railway did not earn a profit. The net cost to the State of all these concessions is estimated to have amounted to not less than twelve crores of rupees at the end of 1876-77, since when it has somewhat diminished.

244. The Company may, at any time, surrender their property to the State and claim back its whole capital cost: and as if not transferred earlier, the Railway would become the property of the State by lapse of time after 99 years, it is certain that the surrender Clause would not be a dead letter.

245. On the other hand, the Government may purchase the Railway at two successive intervals of twenty-five years, paying, in that case, a price intended to represent the fair market value of the Railway as evidenced by the quotations of the shares of the Company. Such payment may be made either in cash or in the form of a terminable Annuity calculated at the market rate of interest in London on Indian Government sterling obligations.

246. The Government must declare whether it will exercise its first option of purchase within six months after the 15th February 1879. The question whether this declaration should be made, has long been anxiously debated both by the Government in India and by the Secretary of State in Council in London. Last year, Lieutenant-General Richard Strachey, R.E., C.S.I., was deputed by the Secretary of State to assist the Government of India in coming to a final conclusion, with an intimation that General Strachey enjoyed his confidence in relation to the matter in hand.

247. The Government of India considered this important measure both financially and administratively. The share capital of the Company is £26 200 000, and they issued Debentures for £4,220,000, the interest on which is £188,000. The purchase of a property of this magnitude is a large transaction; but the Government of India had no difficulty in concluding not only that the purchase was financially expedient, but that the State would not be justified in foregoing the purchase upon any conditions that could be acceptable to the Company.

248. It seemed more doubtful whether the Government of India, whose constant policy it is to reduce the mass of debt which it already inevitably burdens it, could wisely undertake the direct management of this great Railway, and whether it would be prudent to disturb the existing management which is on the whole economical and efficient. But it was considered that these objections could be obviated by the formation of a Company to work the Railway for the State upon terms mutually advantageous.

249. Accordingly, in a despatch No. 226, dated 17th June last, the Government of India communicated to the Secretary of State its decision that the East Indian Railway should now be bought for the State, and for the present worked by a Company constituted from the existing Company. No formal official reply has yet been received to this Despatch; but it is known that the proposals of the Government of India have been substantially adopted, and that, subject to the approval of Parliament, on the 31st December 1879, the East Indian Railway will become the property of the State.

250. The price to be paid is £125 for every £100 of capital stock, or £32,750 000 for the whole stock of £26,200,000. Payment of that amount is to be made by an Annuity terminating on the 14th February 1953, in the calculation of which the rate of interest used is £4-6s. per cent. Both the price of £125 assumed as the market-price of the shares, and the rate of £4-6s. assumed as the market rate of interest upon the Indian Government's London sterling obligations, are liberal, and have apparently been so accepted by the shareholders with general unanimity. But although perhaps by the letter of the bond, even better terms might have been exacted, there is good reason for the belief that, on the whole, the intention of the original parties to the contract has been substantially fulfilled; and it is a cause of much satisfaction to the Government of India that this important transaction has been concluded without any breach of the friendly relations between the Government and the Company, or injury to the interests of the shareholders, who will receive an annuity at the rate of £5 12*s.* 6*d.* per cent. upon their capital, equal to simple interest at the rate of £5 8*s.* 6*d.*

251. The New Working Company is now in course of formation with a capital of £6,550,000, being one-fifth of the capital of the present Company commuted into sterling bonds at £125 per centum. The nature of the arrangement with the Company and the effect of the whole measure upon the Revenues of India is illustrated by the following Statement in which the Estimates of the coming year as now framed are compared with what they would be if the arrangement now negotiated were in force :—

	ESTIMATES FOR 1879-80. As they would be by the new arrangements.	As now framed.
NET TRAFFIC EARNINGS.	Rs. 2,49,50,000	Rs. 2,49,50,000
	£	£
INTEREST on Debentures.	188,000	188,000
INTEREST at 5 per cent. on Capital of present Company	1,310,000	...
Four-fifths of ANNUITY on present Company's Capital	...	1,179,000
Simple interest at 4 per cent. on Capital of New Company	...	262,000
Total Interest and Annuity	£1,498,000	£1,629,000
	ESTIMATES FOR 1879-80. As they would be by the new arrangements.	As now framed
Converted into rupees 1*s.* 7*d.*	Rs. 1,89,32,000	Rs. 2,05,77,000
Company's Share of SURPLUS PROFITS	47,10,000	7,45,000*
Contribution to PROVIDENT FUND (one per cent. on Net Traffic Earnings)	...	2,49,000
Loss on Capital Transactions owing to operation of contract rate of Exchange	2,29,000	..
TOTAL CHARGES	Rs. 2 38 61,000	Rs. 2,15,71,000
NET TRAFFIC EARNINGS less TOTAL CHARGES	10,89,000	33,79,000
Sinking Fund payment £52,400† at 1*s.* 7*d.*	...	6,63,000
NET PUBLIC REVENUE	Rs. 10, 9,000	Rs. 40,42 000

252. The estimated net traffic earnings being £2 495 000, the Surplus Profits of the Line in 1879-80 by the new arrangement would be £372,400, of which one-fifth or £74,500 would be the remuneration of the Working Company, making their income £336,400 in all, or 642 per cent. upon their original unconverted share of the capital (£5,240,000). In consideration of this concession, the shareholders of the New Company surrender all claims to any interest in excess of 5 per cent. on their original capital or 4 per cent. on their commuted capital (£6,550,000), and to all current annuity payments. When their contract terminates they will begin to receive only the yearly payment of £5 12*s.* 6*d.* per cent. which will be paid all along on the remaining four-fifths of the capital, and the capital debt of the Government to them will be extinguished on the same date as its debt to the other four-fifths of the Company.

253. The remaining four-fifths of the Surplus Profits or £297,600 will belong to the State, which will moreover receive £40,000 interest on the value of the stores in course of consumption. Moreover, the calculation which brings out this result, includes the yearly payment of Rs. 6,63,000, or in the conventional notation of the Accounts, £66,300, being the amount required for the extinction of the original capital debt of £32,750,000 by the 14th February 1953. The expected Net Public Revenue from the East Indian Railway in 1879 80, if the new arrangements were already in force, would be £404,200, of which £337,900 would appear upon the Estimates, instead of £108,900 as actually estimated. Thus there is a good hope that the State will now at length be, to some extent, compensated for the heavy sacrifices entailed upon it during the early history of this great undertaking.

254. The gain to the State is likely to be still larger in the future, because four-fifths of the increasing Net Earnings which may confidently be expected from the East Indian Railway will henceforth accrue to the Public Treasury.

255. The remuneration to the New Company is liberal; but, in making this important experiment, the Government deemed it essential to offer inducements sufficient to ensure the devotion to the management of the Line of at least as much energy, enterprise, and skill as have contributed to produce the success of the East Indian Railway as it is. The theory of the new plan is that a personal interest on the part of the managers of such a property is likely to yield more satisfactory results than the best conceivable official management without that stimulus; and it was necessary to take care that, in the actual arrangements made, the stimulus provided should be adequate.

256. The contract is to be for fifty years, terminable, however, first after twenty years, and, thereafter, at intervals.

257. The Government of India have only now to record their high appreciation of the success obtained by the Company now in liquidation. The construction and management of the East Indian Railway is an achievement of which Great Britain may be proud; and the honour of it belongs chiefly to the East Indian Railway Company and its many distinguished officers. The services of those who remain will not be lost to the State. Nor can the Government of India withhold the expression of its appreciation of the broad sagacity with which the Chairman who has, for twenty-five years, so ably presided over the East Indian Railway Company, has conducted the negotiation the successful termination of which has now been recorded.

258. 34 § *XXVII, State Railways.*—Revenue more £280,000. Expenditure less £37 000 Net Result better £317,000. Net Revenue £245,000. Considerable improvement expected in the revenues of these Lines. The account of the Revenue and Expenditure of the Lines constructed by means of Productive Public Works Capital Expenditure is shown below in the first total in Abstract No. II. This statement shows Revenue more £280,000. Expenditure more £130,000. Net Revenue more £150,000. Net Revenue £329,000. The Revenue shown in this Statement above the first Total is that of the *Mathura-Hitras* Line, the cost of which was not treated as *Productive Public Works Capital Expenditure.*

259. 35 § *XXVIII, Madras Canal Company.*—Less Revenue £13,000. The Revenue this year was due to special causes explained upon the Regular Estimate.

260. 36 § *XIX, Provincial and Local Surplus and Deficits.*—Surplus less £283 000 Deficits more £154,000. Net worse £437,000. Net Deficit £191,000. This year the Provincial Governments are saving £246,000 of their income. Next year they expect to spend £191,000 more than their income. These Governments have considerable balances at their credit (see Abstract Statement No. IX), and they might profitably spend some part of these; but the Government of India has been obliged, for financial reasons, to place some temporary restraint upon them in this respect.

261. 37 § *XXX, The Army.*—Expenditure more £1,245 000. Revenue less £45,000. Net expenditure more £1,290,000, of which £81,900 at the *Home Treasury*, and the rest in India. Net cost of the Army, £17,375,000, to be compared with previous years, as follows :—

	£
1872-73	14,596,902
1873-74	14,217,390
1874 75	14 3-6,321
1875-76	14 262,846
1876 77	14,866 639
1877-78	15,769,780

262. The net average yearly cost of the Army, as recorded in the Accounts, in times of peace, cannot now be estimated at less than £15,200,000. The sum provided in the Estimates of 1879 80 for the Military operations beyond the Frontier is £2,000,000.

263. 39, *Productive Public Works Capital Expenditure.*—Less £1,099,000. Much to its regret the Government of India has been obliged to reduce to £3,500,000 the grant for these works. There can be no doubt that much more than this could be profitably spent, but the Government have not this year the means of supplying more.

264. *Productive Public Works Revenues and Expenditure.*—Revenue more £287,000. Expenditure more £227,000. Net Expenditure less £60,000. Net loss on working £1,622,000. Including the Gain by Exchange (£387,000) and the Loss (£1,262,000) arising out of these transactions, we have the following results :—

	£
Interest and Working Expenses	9,740,000
Revenue	7,243,000
Loss	£2,497,000

against which has to be set the Land Revenue due to Productive Works in Madras, and it has to be borne in mind that some considerable amount of interest is charged upon Capital which is still infructuous. The depression of the guaranteed Railways (expected to yield next year £1,985,356 less than in 1877 78) produces this comparatively unfavourable result.

265. The deficit thus shown upon the face of the Estimates, after providing £2,000,000 for the expenses of the war in Afghanistan, is £1,395,000. It must, however, as has frequently been pointed out on former occasions, be remembered in estimating the real amount of our annual revenues, that among the receipts there is shown a merely nominal credit on account of the extinct Military Funds. This amounts in the present Estimates to £214,000 and it plainly adds nothing to our actual resources. It must also not be forgotten that the Estimates under Loss by Exchange would have been increased by £189,815, if provision were now being made for the remittance of the whole net current requirements of the Home Treasury during the year. If there had been no war, the surplus shown on the Estimates could have been £605,000. Taking, however, into consideration the points just noticed, which cannot easily be neglected if we desire to form a really complete and accurate judgement on the actual financial condition of the country, and making certain allowances on the other side of the account, the Governor General in Council is of opinion that looking only to the normal resources of the year, the real Estimated Surplus would be £813,000,

266. If the exchange could have been estimated for the coming year at the same rate as that taken for 1878 79 this surplus would have been larger by £1,364,000 Apart from the war, the Surplus, on the face of the Estimates, would in that event, have amounted to £1,969,000; and after making the corrections to which reference has just been made, £2,177,000.

267. Thus, but for the further fall in exchange the Government of India would have been able, by suspending, during the year, the operation of the so called Famine Insurance Surplus, to pay from the actual normal resources of the year, the whole estimated cost of the war in Afghanistan. The extreme gravity of this question of the exchange can hardly be stated too strongly.

268. *Ways and Means.*—Exluding the book-credits from the Military Funds, the gross Deficit of Public Revenue is £5,109,000. In accordance with the change of policy described in paragraph 28, provision is made for the loan of only £200,000 (net) to Native States and Corporations, &c; £287,500 net is expected to reach the Treasury on the Miscellaneous Debt Account, the main items of Deposits and Remittances being as usual, estimated to be in equilibrium. Thus, provision must be made for a net sum of £5 026,500; but as £1,550,000 has to be repaid to the holders of the Five-and-a-Half per Cent. Loan, and provision must be made for some other repayments, the gross deficiency is £6,700 800, of which, upon the estimates, £1,200,000 will be provided from the Public Balances. A Notification is published to-day inviting a Loan in India of Five Crores of the remainder. As £1,550,000 of this is needed to discharge on the 1st May next, the untransferred portion of the Five-and-a-Half per Cent. Loan, the net amount thus called for is only £3,450,000.

269. In making this announcement the Governor General in Council thinks it desirable to present the following brief statement of the Finances of the four years, 1876-80. Excluding the Fund credits and including provision for the remittance of the whole current requirements of the Home Treasury, the deficit of the four years amounts to £24,863,000. Extraordinary Public Expenditure has been or is being incurred during this period as follows :—

	£
Famine, including loss of Revenue	9,400,000
War	2,670,000
Productive Public Works Capital Expenditure	16,699,000
TOTAL	£28,769,000

270. Thus, if these three great disturbing causes were eliminated, there would have been a Surplus during the four years £3,906,000. In other words, the current revenue has contributed £3,906,000 towards these extraordinary objects, besides bearing all current burdens. The net addition to the Registered Debt during this period is £20,420,061, but of this sum, £2,79 ,731 was lent at interest to Native States, Corporations, &c., and £1 554.629, Railway Capital, was repaid. The net amount borrowed during the four years is only £16,070,000.

271. The difference between the deficit of the four years (£24,863 000) the net amount borrowed (£16.070,000) is £8,793,000, which is thus supplied—

	£
The Public Balances reduced by	4,873,000
The Secretary of State's bills outstanding increased by	*1,740,000
Deposits and Remittances	2,181,000
	£8,793,000

272. The Government of India has repeatedly declared that an annual surplus of £2,000,000 is necessary, in ordinary times, to provide the means of protecting, so far as may be possible, the country against famine, and leave a margin such as every solvent State ought to maintain to meet unforeseen contingencies. It has been necessary, as has been shown, to abandon all hope of obtaining such a surplus in the coming year.

273. The ultimate burden caused by the war will not, it may be reasonably anticipated, prove serious, and the assistance which will, it is hoped, be given from the British Treasury removes all present anxiety on this head. The deficit caused by the war, and shown in the Estimates of the coming year, is therefore rather apparent than real.

274. The reduction in the revenues caused by the depression of trade and the diminished receipts from the Guaranteed Railways will, it cannot be doubted, be temporary only; and the Guaranteed and State Railways are certain to prove growing sources of revenue.

275. The loss caused by the further and great fall which has taken place in the value of silver in relation to gold is far more real and serious cause of financial embarrassment.

276. The Loss by Exchange on the estimated amount of the Home remittances in the coming year is £3 947,368; it would have been £4,142,000 provision were made for remittances to cover the whole of the current Home Charges. The latter sum is more by £3,324 000 than would have been required for the remittance of the same amount in 1872-73, the last year before the long standing equilibrium between gold and silver was violently disturbed. So far as these remittances are required to meet fixed payments, such as Interest, Pensions and the like,—and such fixed payments constitute the bulk of the Home charges,—it may be said that this great sum of £3,324,000 represents the yearly taxation now required in addition to what would have been necessary if the old rate of exchange had been maintained.

277. In the Financial Statement published at the beginning of the present year, it was shown that the Government believed that a *bona fide* surplus of nearly £2,000,000 of income over expenditure had been secured; and of this sum, £1,500,000 was to be annually set aside as a special provision against famine. This apparently very satisfactory result was brought about partly by administrative improvements, but mainly by the imposition of new taxation, estimated to yield, eventually, about £1,100,000 a year (see para. 160). The Government then hoped that it saw its way to giving to the country the most complete protection which could be devised against the terrible calamities of famine to which it is periodically exposed. It was also sanguine that many reforms were within our reach which would be in the highest degree beneficial.

278 Although the condition of the finances continues in other respects to be favourable, the fresh fall in the value of silver in relation to gold has, as has been shown, virtually swept away the financial improvement arrived at with so much difficulty. It may be considered that the whole of the new taxation has been swallowed up in the additional charges on account of Loss by Exchange. The net amount yielded by this taxation in the present year, was as has been stated in para. 160, about £971,400, and it is estimated at £1,077,400 for 1879-80. To remit the whole of the amount required to meet the Home Charges in the coming year, as has just been shown to be the sum of £1,364,362 would be required in excess of the estimate of last year. The insurance provided against future famine has virtually ceased to exist; and the difficulties in the way of fiscal and commercial and administrative reform have been greatly aggravated. Nor can it be any way assumed that the evil will not continue and go on increasing.

279. Under such circumstances it is extremely difficult to follow any settled financial policy; for the Government cannot even approximately tell what income will be required to meet the necessary expenditure of the State.

280. It is hardly necessary to add that this most grave question has long been a cause of anxious deliberation to the Government of India. The Governor General in Council has submitted his views to the Secretary of State, and they are now under the consideration of Her Majesty's Government. It would plainly be undesirable to say more on the subject, until Her Majesty's Government has had time to mature its decision in regard to the measures which ought to be taken.

281. Although, for the present at least, the Surplus which the Government hoped that it had secured, has almost disappeared, the Governor General in Council will in no degree abandon the imperative duty of making, to the utmost of his ability, provision for protecting the country against famine. He still believes that a surplus of £1,500,000 a year, in ordinary times, is necessary to cover this liability alone.

282. So far as the coming year is concerned, the help which it is hoped will be afforded by the British Treasury for meeting the expenses of the war, relieves the Government from financial anxiety on this account. For the present the Governor General in Council thinks it wise to abstain from imposing any fresh burdens on the country, and to accept the temporary loss of the surplus by which it was hoped that an insurance against famine had been provided.

283. The propriety of the course followed by the Government last year in refusing to constitute any separate Fund in connection with the famine arrangements has thus, it may be added, been justified by the event. Foreseeing the possibility of such a contingency as that which has actually occurred, Sir John Strachey spoke in the Legislative Council on the 9th February 1878 as follows. Any other decision might, he said :— "lead to results probably not contemplated by those who have suggested the establishment of a separate Fund; I mean that this might involve the necessity for imposing fresh taxation. Suppose, for instance, that the produce of the new taxes were, by law, strictly set apart from the general revenues, and paid into a separate Fund only to be applied to specified purposes; if then any sudden change of circumstances arose, calling for seriously increased expenditure, or causing a considerable falling off in the revenue, we should have to choose between the imposition of fresh taxes and the abrogation of the law constituting the Fund; for I set aside the idea of meeting ordinary charges by borrowing, as a course financially inadmissible. This dilemma might arise though the pressure was likely to be only temporary; nor can any one say that such a contingency would be at all improbable, or that it might not occur at any moment. With all my desire to see the pledges maintained that we have given, as to the application of a sum not less than £1,500,000 as an insurance against famine, I think it would be irrational, under many circumstances that I can conceive, to object to the temporary diversion of any necessary part of the revenue from this purpose with the view of obtaining relief which might be no less urgently required than that which experience has taught us to be requisite in meeting famine. * * * Without thinking of a future far removed from us, events might, of course, happen which would make it impossible even for us who have designed these measures to maintain our present resolution."

By order of His Excellency the Viceroy and Governor General in Council,

R. B. CHAPMAN,
Secret

BOMBAY.

PROGRAMME of music to be played by the band of H. M.'s 9th Regiment N. I. at the Esplanade band-stand this evening :—

March	The Honours of Bally Macnirv...Kappey.
Overture	Il Conte di Essex ..... Mercadante.
Selection	Linda di Lammermoor ..... Donizetti.
Valse	Casino Tasse ..... Gung'l.
Quadrille	Potpourry ..... Strauss.
Galop	Berlin ..... Michaelis.

THE following programme of music will be played by the band of the Bombay Volunteer Rifles at the Art Exhibition this evening from 4 to 6 p.m. :—

March	Sturm ..... Piefeke.
Overture	Fra Diavolo ..... Aubr.
Waltz	Sweethearts ..... D. Albert.
Selection	Oberto Contede S. Bonifacio.. Verdi.
Quadrille	Fest ..... Faust.
Galop	Princess Marie ..... C. D'Albert.

GOD SAVE THE QUEEN.

NEGLECTING TO PAY ALIMENT.—Abdoola Sadoola was on Saturday last sentenced to six weeks' rigorous imprisonment by Mr. C. P. Cooper for neglecting to pay the monthly allowance of Rs. 4 to prisoner's lawful wife, now overdue for eleven months, amounting to Rs. 44.

THEFT OF CASH.—Ramjan Sirdar and his brother Bebao Sirdar, aged about 15 years of age, were on Saturday last convicted by Mr. W. Webb of stealing Rs. 27 in cash belonging to Sirdarkhan Futtakhan. Prisoner No. 1 was sentenced to four months' rigorous imprisonment, and prisoner No. 2 to receive ten stripes.

GAMBLING.—Cassum Curreemkhan and three other Mahomedans were on Saturday last charged, at the Instance of Mr. Inspector Mahon, before Mr. W. Webb, with being found gaming in a common gaming house at Chimna Butcher Street. They were all adjudged guilty. Prisoner No. 1 was fined Rs. 15 and the rest Rs. 8 each.

WE regret to hear that rats have made their appearance at a village called Masiree, which is situated eight miles from Poona, on the Sholapur road, and have devoured the wheat crops. The cultivators had estimated a very large outturn of wheat, but to their great disappointment not one-eighth part of the produce can be expected.

THE DACOITS.—Veerchund, by caste a Bunia, while proceeding from Pomulwaree to Indapur, was met by Horrasia's gang near Gangrsewaree, in the Indapur taluka, and his person was searched by them; when they found nothing worth robbing, they cut off one of his beard. The unfortunate man is now under medical treatment. Three villages named Shirol Vari, Navil, and Roor, were plundered last week by the ramoosies and the koolies, but we are not in a position to state what amount of booty they have carried away. Our Police no doubt are doing their best in the matter, but perhaps they are inadequate to cope with these high-handed robbers, who are in large numbers.—*Poona Observer.*

THERE seems something wrong in the charge for carriage of grain by the line to Kurrachee. The rate per maund from Loodiana to Calcutta, 1,160 miles, is Rs. 1-49; while the rate from Rawind to Kurrachee, 510 miles, is Rs. 1-7-7. Exports from the rich Ferozepore district will naturally prefer the longer route to Calcutta, both because it is cheaper as shown above, and because freight to England is much more abundant and more moderate at this port than at Kurrachee. But what does the Kurrachee Chamber of Commerce say to being thus left completely "out in the cold" by the new Indus Valley Railway, from which they had expected such great things?—*Civil and Military Gazette.*

PASSENGERS BY THE HOMEWARD MAIL.

THE P. AND O. Co.'s. s. s. SUMATRA, Captain W. A. Seaton, will sail to-day for Aden and Suez with the Europe Mails and the following passengers :—

FOR SOUTHAMPTON.

Mrs Beadon and infant	Mr H J Allardice.
Mr A G Crommelin.	Mr J M Mure.
Mr W O Morgan.	Mrs Adamson and child.
Col and Mrs Marquis.	Miss Buller.
	Mrs Unwin and infant.

FOR BRINDISI.

General and Mrs Brooke.	Mr A Mackenzie.
Mr Edward Elliott.	Major Unwin.
Colonel J W Archard.	

FOR MARSEILLES.—Mr H G Kleinworth.

FOR VENICE.

Mr A Coates.	Mr G V Jones.
Mr H W Johnston.	

FOR SUEZ.

Hon'ble Mr and Mrs G C Paul,	Mr W B Mactavish.
Miss Paul and 2 children.	Mr Robert Turnbull.
Mr N J Valetta.	

FOR ADEN.

Mr J Sullivan.	Mr A Mahomed.
Two native Constables.	Mr H E G Mahomed and 4
Mr A Wahab.	friends.

THE VOLUNTEER AMATEURS.

THE "Original Bombay Minstrels," an amateur company consisting for the most part of members of the Bombay Volunteer Corps, gave an entertainment on Saturday evening, at the Grant Road Theatre, in aid of the Band Fund. Owing probably to the counter-attraction at the Circus, the attendance was not so good as the "Original Bombay Minstrels" have generally been honoured with on previous occasions. The dress circle was comfortably filled, but there were comparatively few people in the stalls, pit and gallery. The entertainment was an amusing and interesting one and several of the songs were sung in a style considerably above the ordinary amateur Christy Minstrel standard. There were not many new jokes attempted by the "Cornermen" but there were one or two good hits, as for instance, on Cambodian asking Bones his "why ought Reuter's Agency in Bombay to be placed under the management of the Bishop?" and explaining, on Bones "gubbing it up," that the reason was "their messages so often require Confirmation."

THE MAZGAON MANUFACTURING COMPANY.

AN extraordinary general meeting of shareholders of the company was held on Saturday last at its registered office, 32, Elphinstone Circle, in order to confirm a special resolution dismissing Nursey Kessowjee from the office of secretary and treasurer, and making the necessary alterations in the memorandum and articles of association. Mr. Cursetjee Nusserwanjee Cama was called to the chair.

Mr. J. Gordon, the secretary, read the notice convening the meeting.

It was proposed by Mr. Ramchunder Wasudeo, and seconded by Mr. Morarjee Cooverjee, "That the dismissal by the directors of Nursey Kessowjee from the office of secretary, treasurer, and agent of the company upon the grounds stated in Mr. J. Gordon's Cursetjee Cama's letter of the 20th of January 1879 be approved and confirmed; and that the agreement of the 28th of February 1878 between the company and Nursey Kessowjee be rescinded on the like grounds." The resolution was carried unanimously.

It was also resolved to confirm the making of the necessary alterations in different clauses of the memorandum and articles of association. The proceedings closed with a vote of thanks to the Chairman.

THE LATE PROTEST AGAINST THE ADOPTION OF THE NARROW GAUGE ON THE AHMEDABAD AND PAHLANPUR LINE.

BOMBAY CHAMBER OF COMMERCE, 10th March 1879.

To the SECRETARY to GOVERNMENT, Public Works Department (Railway.)

SIR,—I have the honour to bring to the notice of His Excellency the Governor in Council that an influential and numerously attended public meeting of the inhabitants of Bombay was held on the 21st ultimo, at which a memorial to Her Majesty's Secretary of State for India was enthusiastically adopted protesting against the construction of the Western Rajpootana Railway between Ahmedabad and Ajmere on the narrow gauge, and particularly against laying the permanent way on the narrow gauge, on the section of the line between Ahmedabad and Pahlunpur which had been ordered by the Secretary of State to be constructed for the broad gauge. By the second resolution passed at the meeting, the Chamber of Commerce was requested to forward the memorial to the Secretary of State through the Government of Bombay.

I am accordingly directed to forward the memorial which has been signed by nearly 2,000 persons, and respectfully to request that His Excellency will be so good as to transmit the same to the Secretary of State on the earliest convenient opportunity.

I have also the honour to send herewith for the information of Government 12 printed copies of the memorial and the resolution appended thereto, and of the proceedings of the public meeting, on the 21st ultimo, at which the memorial was adopted.—I have, &c.

J. GORDON, Secretary.

PUBLIC WORKS DEPARTMENT, (Railway),
BOMBAY CASTLE, 13th March 1879.

To the SECRETARY to the CHAMBER of COMMERCE, Bombay.

SIR,—I am directed by His Excellency the Governor in Council to acknowledge, with thanks, the receipt of your letter dated 10th instant, and to intimate that the memorial which accompanied it will be immediately transmitted to Her Majesty's Secretary of State for India.—I have, &c.

G. W. OLDHAM, Major, R.E.
Acting Under-Secretary to Government.

THE 1st PUNJAB VOLUNTEERS.

This Regiment was inspected on Saturday. The *Civil and Military Gazette* says :—

The regiment fell in at the Camp on Saturday afternoon and marched off in four companies, under Captains Corrigan, Brown, Lightfoot and Jones (Multan Company) to the Anarkulli parade ground. Forming up in line they received Brigadier-General Murray, the Inspecting Officer, with the usual salute. The General was accompanied by His Honour the Lieutenant-Governor, the Honorary Colonel of the regiment, in his regimental uniform, and by a large staff. The General and staff minutely inspected the dress, arms and accoutrements of the men, and the usual review movements were then fairly gone through. About 5-30 p. m. the Volunteers marched towards Shawalpore House to attack a position held by two companies of the 9th N. I. Two companies opened to skirmishing order, under very good cover, while the other two formed flank supports. The attack was most carefully executed, full advantage being taken of its excellent cover afforded by deep gorges and occasional mud walls or clumps of trees; and it was generally admitted that the position of the 9th N. I. was carried. Having afterwards been formed into close column the General addressed the Volunteers to the following effects :—"Officers and men of the 1st Punjab Volunteers,—You have turned out into Camp this season under exceptional disadvantages. Much sickness has been prevalent, and besides many of the Railway company have been unable to attend drill on account of the great press of work on the lines for the past five or six months. Yet you have to-day turned out well, and you have made a very creditable appearance in every way. Your marching past was very good, wonderfully steady considering the few drills many of you have attended and the other movements (including one of the most difficult in the drill book) were creditably performed. Your discipline, too, I am told, is excellent. There have been only two cases of misconduct, and I am glad to hear these have been severely and promptly punished. But I am most pleased with your *practical work*. You are, I believe, at the head of the Volunteers in India for your shooting and you have shown to-day that you can turn your efficiency in this respect to good account."

Afterwards the prizes were delivered, and in the evening a dinner was given by the officers to the Corps.

THE MASSACRE AT MANDALAY.

FURTHER PARTICULARS.

(Englishman.)

THE following is another account of the tragedy at Mandalay which has been placed at our disposal, and is probably more trustworthy than any already published. As regards the justice of the blame imputed to the Agent, it would be premature to express any decided opinion. In the meantime, we may fairly say that it is inconsistent with what is known of his character and his previous dealings with the Court at Mandalay :—

"The tragedy that has lately been enacted at Mandalay should be made public, in order that the Indian Government may have the means of judging correctly of the gravity of the situation, and come to a just appreciation of the steps they should take. True, the Resident will inform them of what he knows; but, judging from the past, one has a right to doubt the sources of his information as I shall show before concluding this letter; and it behoves every well-wisher of this country, and sympathiser with suffering humanity, to give a dispassionate, truthful account of the diabolical acts lately done by order of King Theebaw.

"Since his accession to the throne Theebaw has not been so idle as some have thought him to be. He took note of all the people he could depend upon, as well as those who he thought were more favourable to some of his half-brothers. He quietly surrounded himself with a lot of faithful scoundrels, ready to dare anything in order to obtain promotion or new posts; and he made a list of new officials for the time to come. On the 18th January he ordered the imprisonment of two ministers of the first rank, one of the third rank, and of a number of officers, both civil and military. The reasons alleged were misappropriation of public monies, and of the pay of the troops. The soldiery believed in this, and at once saw a friend and a protector in their young King; but wise people remarked that all the persons imprisoned were either partisans, or sympathisers, of the incarcerated princes, and began to apprehend a rule of blood.

"The King lost no time in filling up the vacant posts, except those of ministers, from the rabble he had got round him. People were much concerned on seeing quite unknown men, or nonentities, or black-guards as the case might be, pitchforked into high positions; and from that time it became apparent that the ministers had made a tremendous mistake in nominating this prince to be their king to the detriment of some more worthy elder brother, and that the young fool, drunkard, and hypocrite did not care to have qualified people about him. A reign of intrigue and misrule had begun.

"But worse had yet to come. On the night of Saturday the 15th February, an uncle of Nyoungyan and of Nyoung Oke, who had been imprisoned since the escape of those princes of the British Residency; two brothers-in-law of the late King, a prince not of royal blood, and some other men of position, were brutally butchered in the jail where he had been heavily ironed, in filth and in want, during the preceding five months. On the following night whilst the King was giving a grand dancing and singing entertainments some of his minions were, by his orders, butchering a number of princes, princesses, queens, their young children, even babes a few months old. This abominable massacre took place within the common jail, close to the palace, whence the ill-fated prisoners were removed for execution. The princes, as entitled by right of birth, had their necks broken; of others, some had their necks broken also, and some had their skulls battered in with clubs, whilst two babes were taken up by the legs and their heads dashed against a wall. All the bodies were then thrown into a pit dug for the purpose.

"The thirst of this young tiger was not yet been sated, however, and this horrid massacre was continued during the next night again, so that on Tuesday morning, the 18th February, at least fifty members of the royal family had fallen victims to his ambition and fears. It is yet too soon after the event to be certain as to the number of victims; some assert it to be seventy, but it is believed the former figure is nearer the mark.

"As usual some of the victims died like heroes, whilst others faltered, and the head butcher, the new Governor of the city, was insulting them. Prince Maikara showing fear, was encouraged by Prince Toungzi, who reminded him that they were princes, and born to the kings, or to be killed. He even pleaded hard for the little babes from whom, he said, nothing could be feared for many years. All in vain: the tiger had spoken, and was obeyed. The mother of Maikara, a noble queen, died with the utmost dignity; she ordered her assassins not to touch her. 'Tell me,' she said, 'where to sit and how to lay my head, then do your worst.'

"Such is the unvarnished account of the Mandalay tragedy, which a little fore-sight on the part of the Indian Government, and a little energy on that of the British Resident, would no doubt have averted. It was only late on Tuesday afternoon, after three nights of horrors, that the Resident woke up to the emergency, or that he heard of it. Then only did he send his Assistant to the Prime Minister with a letter in which he informed him that he did not know how the British Government would view what had already been done, but that if any more persons were to be killed, he would lower his flag.

"The delay in the action of the Resident is to be deplored, for it is the unanimous opinion here that, had the step which he took late on Tuesday afternoon been taken on Sunday, after the first night of massacre, the wives and children of the late king would have been spared, as a batch of his nephews, eleven in all, intended for execution on Tuesday night, have been saved from that fate.

"The question every one now asks is, 'what will the Indian Government do?' Decently it cannot continue to have a Resident at the court of such a monster as Theebaw; nor can it maintain friendly and diplomatic relations with him. On the other hand, Theebaw would only be too happy to be rid of our Resident, of the mixed court, and of all correspondence with him, and remonstrance from the Viceroy: and the former step would be playing into his hand. That his reign is destined to be one of blood, of intrigue, of misrule, and eventually of anarchy, is patent to all; and the wisest plan is to nip it in the bud. It is best to face the emergency at once, let this drunkard, hypocrite and murderer be swept away, and replaced by Prince Nyoung Nyan, who has a strong party ready to help him. All men of order, and there are plenty of them together with a good portion of the people and of the army, will acclaim him. Nyoung Nyan, who owes his life to the protection he received from our Resident, will be doubly indebted to the Indian Government, and being what he is, a shrewd, intelligent young man, he will allow himself to be guided by our Resident. Thus the long pending Burmese question will be settled, and our influence in the country will be felt, though the King and his minis-ters will govern."

THE LATE CAPTAIN HODGART.

(Paisley and Renfrewshire Gazette, Feb. 15.)

THE precarious tenure of human life is strikingly exemplified in the sudden death of Captain Hodgart of Caba House, Milliken Park, the result of an accident which befell him on Tuesday afternoon, the 11th inst., whilst on a visit to Paisley. Mr. Hodgart had been in his usual health, and the event was no premonitory indication to those who saw him alive to himself shortly. On Tuesday forenoon he came in to Paisley on business purposes, and after parting with his brother, apparently in perfect health, to hurry for the train with the view of meeting a friend in Glasgow, his feet slipped while he was crossing Old Sneddon-street in the vicinity of the bridge at the Low Sneddon-street, and coming in contact with the ground caused fracture of the skull, which at once rendered him insensible. Ready hands were fortunately near, and the sufferer was at once carefully removed to the Infirmary, where he lingered for a couple of hours without regaining consciousness.

Captain Hodgart, who has been thus suddenly called away, was a gentleman held in considerable respect in the Upper Ward of the County, especially in the Johnstone and Kilbarchan districts. Born in the immediate neighbourhood of Johnstone, his early years were spent there; and there after his school education was completed, he prosecuted himself as an engineer in the establishment of the late Mr. Robert Donald. At a comparatively early period of life, his energetic character led him to seek employment in the East and finally, after undergoing creditably the necessary examination in London, he received an important appointment as an engineer in India. A few years after this first appointment he was selected for a step from at the Mint at Bombay, in which establishment he ultimately attained in the position of foreman—the highest that mere merit could command. About ten years ago he returned to his native country, after an absence of fully a quarter of a century, in the enjoyment of a handsome annual allowance, the recompense of his many years of faithful attention to duty. Amidst his other occupations in India, Captain Hodgart, it may be observed, had his attention directed to the pressing of cotton, the result being the invention of the patent press with which his name is now associated.

Captain Hodgart, on returning home, wisely settled down in the district with which his earlier years had been associated; and being still hale and vigourous, entered on a career of practical usefulness. He perfected his patent press, giving it the final improvements that experience and leisure placed within his reach. He interested himself in the movements going on around him; and, being fond of manly exercise, became an ardent member of the 15th Corps of the 2nd R. R. V. He was at once appointed to the position of Captain, the duties of which he has energetically discharged for the last ten years. He was wont to put in his appearance at Wimbledon, where he always maintained an honourable position, although it was not his fortune to carry off any of the major prizes. He was, moreover captain of the western division of the Scotch Twenty, and one of the Scotch representatives at the Anglo-American contest of 1876, and thus became well known and respected by the friends of the Volunteer movement, within and beyond his own immediate locality.

Of the Kilbarchan School Board he was from the first a member, and did much valuable work in furtherance of its objects, and was the only one of the original board honoured with re-election. He was also an active member of the Liberal Association in Kilbarchan; and at both of the contests between Colonel Campbell and Colonel Mure, he fought earnestly for the latter, with whom he has been throughout on the most friendly terms of intimacy.

It is matter of great consolation for the family, that in his last moments he was attended by his brother, Mr. Mathew Hodgart, of our local engineering firm of Fulton, Hodgart, and Baxley, who, being at once apprised of the accident, hastened to the sufferer's relief. His son, Mr. John Hodgart, was also for a time present.

Captain Hodgart was in his sixty-sixth year, and leaves a widow and family to mourn his loss.

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White do.	5	Trunks ..... 12-8 to	23	Trunks	0
French Cambric do., Collar attached	5	Linen Cuffs per doz.	4	Solid Leather do.	49
English Cambric do	4	Extra Large do	75	Linen Collars	0
Best Shrunk Flannel do..	6	Black Hide Bags	15	Cambric Handkerchiefs..	0
Silk and Wool do	8	Extra large do	24	Warm Gloves	0
Spun Silk do	10	Gladstone Bags	35	Children's Gloves ....1 to	1
Gents' Under Vests 4 to	6	Ladies' Hand Bags	7	Mitts	1
Bathing Drawers	2	Travelling Writing Cases fitted	11	Mufflers	2
Gents' Under Pants ..4 to	8	Gents' Bags, fitted complete	72	Pins, Scarf	1
Gents' Cotton Socks, doz..	8	Ladies' Carriage Bags, fitted complete Cases	58	Sailors' Knot	2
Warm do	15	Gents' Dressing Cases ..	11	Windsors for Bow or tying	2
Ladies Under Vests 4 to	6	Gents' Pigskin Dressing Cases, complete	30	Flannel Shirts	4
Ladie White Cotton Hose doz	13	Gents' Slippers	2	Flannel Cummerbunds	2
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		English Pashtoe Hats ..	12	Soap Boxes	1
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NCIAL STATEMENT FOR 1879-80.

NTS OF BRITISH INDIA FOR THE 1877-78, THE LATEST ESTIMATES HE YEAR 1878-79, AND THE FIRST ATES FOR THE YEAR 1879-80.

ON BY THE GOVERNMENT OF INDIA, ANCIAL DEPARTMENT, DATED 13TH MARCH, 1879.

PRELIMINARY.

1. The Accounts of the Public Revenue and nditure and Receipts and Disbursements itish India in 1877-78 are hereto annexed her with the Regular Estimates, based the latest information in the possession of overnment of the Revenue and Expendi- nd Receipts and Disbursements of 1878-79, e Budget Estimates of the Revenue and nditure and Receipts and Disbursements of 9-80.

2. In these documents the term Revenue fined to money which is received into the Pub- Treasury neither in repayment of a Loan, vance or Deposit, nor as a Loan, Advance or posit to be repaid; and the term expenditure confined to money disbursed from the Public asury, neither in repayment of a Loan, Ad- ce or Deposit, nor as a Loan, Advance or posit to be repaid. Thus the difference be- een the Public Revenue and the Public Expen- ure recorded in the Public Accounts of each ought to represent the addition to or re- tion of the Public Debt of all kinds during year.

3. In the Accounts of 1877-78 are recorded the Imperial and Provincial Revenue and penditure; the Local Revenue and Expendi- re being treated separately, and appearing in e Accounts under Debt only, that is to say, as Deposits and Repayments. In the Estimates of 1878-79 and 1879-80 the Local Revenue and Expenditure is incorporated with the rest of the Public Revenue and Expenditure, in the Accounts of which will henceforth be recorded all Public Revenue and Expenditure, excluding only the Accounts of Municipalities, Port Trusts, and other exclusively local and fiduciary Bodies.

4. The accounts of such of these bodies as bank with the Government will be recorded under a separate Major Head in the Debt portion the Accounts (see, for example, Headings Nos. I. and 2 in the appended Abstract Statement o. IV.) But the chief of these Bodies, such for stance as the Presidency Municipalities and Port Trusts, do not bank with the Government at all. Their transactions do not therefore appear in any shape in the Public Accounts. The policy of the Government is to promote the entire inde- endence of these Bodies and of their responsi- bility for their finances.

CHANGES OF FORM AND GENERAL REMARKS.

5. The following changes have been made in the Forms of the Accounts since last year.

6. It has been considered advisable to open three new Major Heads of Revenue in order to show separately the Revenue which may be set against the Expenditure recorded under 17 *Minor Departments*, 23 *Medical* and 24 *Stationery and Printing*. Under *XIV Minor Departments* will be recorded the proceeds sales of the produce of the Government Chinchona Plantations, upon which considerable sums have been spent for some years past, and of Model Farms; also Emigration Fees, including the Inland Labour Transport Fund in Bengal, and the like. Under *XIX Medical* will be shown Contributions by Municipalities for Medical Services, the proceeds sales of medicines supplied to Charitable Dispensaries and the income of Lunatic Asylums, &c. Under *Stationery and Printing* will appear the subscriptions to the Government Gazettes and the receipts for books, publications and stationery sold. All these items have hitherto been grouped under *XXVIII Miscellaneous*; but the importance of some of them is growing, and that of others has been so increased by the incorporation of Local Funds that they seem to deserve independent exhibition.

7. Under the Head *VI Provincial Rates* were shown in this year's Estimates the whole of the Incorporated Local Revenues. The bulk of this Revenue is derived from Rates and Cesses levied upon the revenue or rent of land for various objects, such as Public Works, Education, Local Posts, &c. It is considered expedient to restrict this Head exclusively to the exhibition of these Rates and Cesses, transferring the remaining items of Local Revenue to their appropriate Heads as detailed in paragraph 56.

8. Owing to the incorporation of the Local Revenue and Expenditure, the adjusting entries under Heads XXIX & 36 will henceforth necessarily include the Local as well as the Provincial Surpluses or Deficits. Hence these Heads will in future be styled *Provincial and Local Deficits or Surpluses*.

9. By their contract arrangements with the Supreme Government the Provincial Governments must surrender to the Imperial Treasury from the Balances at their credit any deficiency in their Provincial Revenue compared with their Provincial Expenditure. If they have no such balances, the Imperial Treasury bears the loss for the time: no credit is taken under *XXIX Provincial and Local Deficits* for a debt due from any defaulting Provincial Government until the debt is actually paid. On the other hand, the Provincial Governments are entitled to receive from the Imperial Treasury any sums by which their Provincial and Local Expenditure falls short of their Provincial and Local Revenues, such surplus being added to the balances at their credit. Thus, the effect of the entries under the two Heads XXIX and 36 *Provincial and Local Deficits and Surpluses*, is to bring the whole of the Provincial and Local Revenue and Expenditure incorporated in the General Account into exact equilibrium, so that the incorporation of that Revenue and Expenditure produces no effect upon the Surplus or Deficit of the General Account, and might be eliminated without any disturbance of that result.

10. The Provincial Governments are, in their turn, responsible for the solvency of the Incorporated Local Funds, and, as any Provincial deficiency is borne, until (if ever) it is recovered, by the Imperial Treasury, so, if the Expenditure from any Incorporated Local Fund exhausts the balance at its credit, the difference must be immediately made good from the Provincial Revenues until, if ever, the Provincial Government recovers it. The effect of these arrangements is that in the General Accounts of Revenue and Expenditure no credit is taken for any invalid debt, whether from Local Funds to the Provincial Treasuries, or, as already said, from the Provincial Treasuries to the Imperial Treasury.

11. It is for obvious reasons indispensable that the yearly Expenditure of a State shall not ordinarily exceed its yearly Revenue except for reasons deliberately accepted as sufficient, as, for example, in India for the capital cost of Productive Public Works constructed for the development of the resources of the country. The financial condition of that State is unsound whose yearly Public Revenues, rigidly criticised, are habitually less than its whole yearly Public Expenditure excepting only that portion which may be confidently trusted to produce a revenue at least sufficient to cover the interest on the excess Public Debt which results from it.

12. But this principle is much modified in its application to the Provincial Finances of the Indian Local Governments. These Governments are not allowed to incur debt; even borrowed money invested in Productive Public Works, for which the Local Governments are wholly responsible to the Imperial Treasury, being treated as a Debt of the Imperial Government, differing in no respect from the rest of the Public Debt of India. The Local Debenture Loans to be issued for Local purposes which will be presently described will form no exception to this rule: legally and practically, they will be part of the Public Debt of India, and not in any sense Debts of the Local Governments although they will issue them, and be responsible to the Government of India for the payment of the interest upon them.

13. In short, the arrangements made during the past few years and still in course of development for the Provincial management of Provincial Finances are domestic arrangements between the Government of India and the Local Governments, affecting, indeed, intimately, their rights and obligations in relation to each other, but not their relations to any one else.

14. It follows that, subject only to the condition that it shall never exhaust its balances in the Imperial Treasury and shall further ordinarily maintain such sufficient reserve at its credit there, to provide for the contingencies to which it is exposed, as so substantial a constituent would be expected to keep in the hands of his bankers, a Local Government may spend its Revenues without any precise regard to the equilibrium of the year. So long, therefore, as a Local Government does not incur debt (which is absolutely forbidden), there is no objection to its spending more than its Revenue during the year. Indeed, one important advantage of the system is that the Local Governments are set free from the restriction that their yearly expenditure shall never exceed their yearly income—a restriction which, however essential to the financial welfare of the State as a whole, cannot always be conveniently applied to sections of the Administration.

15. The principles thus described as regulating the management of Provincial Finances also regulate the management of the Local Finances which are subordinate to the Provincial Governments. It rests with the Imperial Government to prevent the Local Governments from overdrawing their Accounts with the Imperial Treasury, and with the Provincial Governments to enforce the same wholesome rule upon the Managers of the Incorporated Local Funds. The penalty for any default falls immediately upon the Imperial or Provincial Treasury, as the case may be.

16. Under instructions from Her Majesty's Secretary of State a new Abstract Statement, No. II, was added last year in the form in which the Accounts of British India are now presented to Parliament. In this form are separately shown, on the one hand, the gross Revenue derived from *Productive Public Works* (formerly styled *Public Works Extraordinary*) and the net Revenue from the Railways and Irrigation Works on the Capital cost of which interest is guaranteed from the Public Revenues; and on the other hand, the working expenses of the Productive Public Works together with the guaranteed interest actually paid, and interest calculated upon the Capital cost of the State works which yield the Revenue thus separately shown, and any other current expenditure upon both classes of works.

17. The separation is not yet complete. The Government has not yet succeeded in ascertaining the increase of the Land Revenue which may be properly attributed to Productive Public Works in the Madras Presidency; and the considerable Gain and Loss by Exchange which arise out of the transactions thus eliminated from the Accounts of the rest of the Public Revenue and Expenditure is, not yet, included in this separate category. There are other less important items which ought also to be incorporated in this separate Schedule before it can be really complete.

18. Meanwhile it would be contrary to the intention and object of this Separate Account to admit to it any Revenue derived from works, the Capital cost of which is not included in the amount upon which the interest separately shown in the Account is calculated, or any Expenditure upon such works. The Public Expenditure upon Railways and Works of Irrigation is not, however, by any means confined to works treated in the Accounts as *Productive Public Works*. In Bengal, for example, the Calcutta Canals and Nuddea Rivers yield considerable Provincial Revenue and involve considerable Provincial Expenditure; in the North-Western Provinces the *Eastern Jumna Canal* yielding a Revenue of more than £50,000, has not yet been treated as a Productive Public Work, because its Capital cost cannot be fully ascertained and has not appeared in the Public Accounts under the Head 39, *Productive Public Works*, and the Local Government has subscribed from Provincial Funds part of the Capital cost of the *Mathura-Hatras Ghazipore-Dildarnagar* Railways; and the Government of India has now in hand several small Railways to be constructed principally for the Salt traffic. Then again there are surveys for both Canals and Railways and the like which cost money, though they do not always result in the construction of *Productive Public Works*.

19. It was intended to record all this class of Expenditure and the Revenue derived therefrom in this year's Estimates under 31 and XXIV *Public Works Ordinary*, but this intention was not accurately fulfilled, the items grouped in the Separate Account of Productive Public Works having accidentally included the Revenue and Expenditure of the Eastern Jumna Canal and other Works, not Productive Public Works. This year the incorporation of Local Funds adds largely to works of this class.

20. It seems better, therefore, on every consideration, to include all such Revenue and Expenditure in the first instance under the General Headings XXV and 32, *Irrigation* (adding to it *Navigation*) and XXVII and 34, *State Railways*, and then, as is already done with 1, *Interest*, to abstract for the Separate Account of Productive Public Works the items which alone belong thereto. The Accounts of 1877-78, as well as the Original Estimates of 1878-79, have been re-classified upon this plan.

21. The Government has determined to include in the Productive Public Works Statement this year or month as far as can be approximately ascertained. The amount thus shown in the Separate Schedule under *I, Land Revenue* belong to the North-Western Provinces, the Punjab, and Bombay. It should be understood that these figures are only estimates made upon such bases of facts as can be discovered. Often, no distinction was made when the revenue was assessed, between the portion of the Land Revenue attributed to those works of Irrigation and the remainder which would be demanded if no Irrigation were provided; and if such a distinction actually had been made it would frequently have been arbitrary. It is certain that, generally, more Land Revenue is collected by reason of these works than would be collected if they did not exist, but what precisely is the amount thus in excess, is a question which can, often, be answered only conjecturally, according to experience and individual opinion.

22. The transactions of the State with the *Madras Irrigation and Canal Company* have been separated off from the transactions with the Guaranteed Railway Companies.

23. Abstract Statement No. III has been recast so as to show the Revenue and Expenditure under each Head classified as *Imperial Provincial* and *Local* respectively, together with the Provincial and Local Surpluses or Deficits, and the Opening and Closing Provincial and Local Balances. The Statement thus recast exhibits clearly the financial condition of the Provincial Governments and the general operation of the contract arrangements with them. Moreover the new Public Works or Transfer Heads is for the most part obviated. The share of the License Tax and the Famine Cess appropriated by the Imperial Treasury as an Insurance against Famine, and the portion of the Canal Revenue in the North-Western Provinces reserved by the Supreme Government when the Canals in those Provinces were handed over to Provincial use and management are now simply placed in the Imperial Column of this Statement, by deduction from the entries in the Provincial Column. On the other hand, the payments by Local Governments as interest on the Capital cost of their Productive Public Works, and for stamps and stationery supplied from the imperial Central Stores, are, in the same way, abstracted from the Imperial Column and added in the Provincial Column.

DEVELOPMENT OF PROVINCIAL SYSTEM IN BRITISH BURMAH AND ASSAM.

24. The Provincial contracts with British Burmah and Assam have been revised and greatly expanded with effect from the beginning of 1878-79. A new feature in the arrangements with these Provinces is that, in place of a Fixed Allotment, a share of the net reserved Imperial Revenues has been assigned to them, so that the Provincial Finances will participate in any improvement of those Revenues. Thus the Public Revenue and expenditure in British Burmah and Assam is now divided into (1) *Wholly Imperial*, (2) *Wholly Provincial* and (3) *Jointly Imperial and Provincial*. With the exception of the Army, the Wholly Imperial portion is not important in either Province; in Burmah, it is insignificant.

25. Owing to the geographical isolation from India of British Burmah, there are no such difficulties there as impede the complete surrender of some important items of Revenue and Expenditure to Provincial use and management elsewhere. For example, the *Salt* and *Customs* Revenue levied in Bombay, Calcutta and Upper India cannot be divided among the several Provinces from whose consumption those Revenues are obtained. But in Burmah there is no such obstacle. Consequently the Government of India has been able to make with that Province the most complete Provincial contract yet existing; only a few items, *viz.*, the *Army*, the *Post Office* and *Telegraphs*, the *Account Office, Political Service* and the *Movement of funds*, have been retained as wholly Imperial. A few more items, *viz.*, the *Land Revenue* (excluding *Fisheries*), the *Export* Duties on Rice and Paddy, and *Salt*, with the corresponding *Refunds* and *Charges*, including under *Land Revenue*, only the *Charges of collection, Survey* and *Settlements*, have been treated as Joint to be divided between the imperial and Provincial Treasuries. All the rest of the Revenue and Expenditure has been made "Wholly Provincial."

26. The scheme is, to some extent experimental: but it has been framed on a basis calculated to give to the Chief Commissioner a much needed increase of Provincial Resources. It is believed that some judicious public expenditure in Burmah would yield especially valuable financial results; and the Government of India only regrets that it cannot under existing circumstances make even more liberal concessions to that Province. In Assam also the Resources of the Chief Commissioner have been improved. With the exception of the substitution of a share of the joint Revenues for a Fixed Allotment, the new arrangements, there follow closely the contract with Bengal, so that there will be no difficulty in this respect in the re-union of the two Provinces, in case this measure should at any future time, be adopted.

27. The general effect of the new arrangements with the two Provinces may be gathered from a comparison of the Local Estimates which were prepared upon the old basis with the Estimates recast by the Government of India upon the new basis as follows:—

Provincial and Local Revenue and Expenditure of Assam and British Burmah for 1878-79 (Regular Estimates) and 1879-80 (Budget Estimates.)

ASSAM.

	Local Estimates.		Revised by Govt. of India.	
	1878-79.	1879-80.	1878-79.	1879-80.
	£	£	£	£
Revenue	211,500	214,000	365,700	359,600
Expenditure	225,300	216,100	348,000	356,600
Surplus	...	...	17,700	3,000
Deficit	13,800	15,100	...	...
Closing Balance	20,600	5,500	83,100	85,100

BRITISH BURMAH.

	Local Estimates.		Revised by Govt. of India.	
	1878-79.	1879-80.	1878-79.	1879-80.
	£	£	£	£
Revenue	401,300	407,800	945,900	967,300
Expenditure	410,900	511,100	892,600	1,019,900
Surplus	...	...	53,300	...
Deficit	15,600	103,300	...	52,600
Closing Balance	87,300	—160,100	156,300	143,600

27. This table shows that the effect of the measure in the two years was the addition of £49,600 to the Provincial and Local Revenues of Assam, and £159,600 to those of British Burmah. From this last sum may properly be deducted £20,000, which, although not in the Contract, the Government of India has, in practice, been compelled yearly to assign specially to British Burmah. But the residue constitutes a substantial and much needed addition to the means at the disposal of the Chief Commissioner. In both Provinces it may be hoped intended to increase the Local Cesses for Local purposes, and the Provincial Revenues will now contain elements of growth. On the whole, it may be hoped that the wants of these two undeveloped Provinces have now been supplied for some time to come. In any case it will be manifestly difficult for the Government of India soon to surrender to them any more of the General Resources.

LOCAL DEBENTURE LOANS.

28. As a further development of the policy of Provincial management of Provincial Finances, it is intended to issue, as opportunity offers, Local Debenture Loans the proceeds of which will be devoted to particular works. These Debenture Loans will be part of the Funded Debt of India, and, technically and legally, the security for them will be the same as the security for the General Debt, namely, the whole Public Revenue of India. They will differ from the General Loans as follows:—

1*st*.—The interest upon them will not be payable at or near the Presidency Towns, but only locally in the neighbourhood of the works for the construction of which they are raised.

2*nd*.—They will be raised in the name of the Local Governments, who will be responsible to the Government of India for the due discharge of all obligations arising out of them.

3*rd*.—The Debenture-holders will receive, besides their interest, a share of the profits of the works constructed with their money; and, although allowed no property in the works, will be invited to assist in their management, as has been already successfully done in the case of the *Mathura-Hatras* Local Railway.

29. It is hoped, by this expedient, to draw out local resources which might otherwise continue latent, and to promote the success of the works by giving to the Debenture-holders a pecuniary interest in them and taking advantage of their knowledge of local requirements and native habits and wants.

LOANS TO MUNICIPALITIES.

30. There has been a change in the policy of the Government as respects Loans to Municipalities and other Corporations. For some years past, these Bodies have borrowed all the money which they have required from Public Treasury which could afford to lend them money rather more cheaply than they could obtain it in the open market. This plan had also this advantage, that the Public Funded Debt of India represented, substantially, the whole Debt of the country, including the Debts of these Corporations. But the demands upon the Imperial Treasury for capital required for investment in State works are now so considerable, compared with the limits of its resources, that the Government can no longer afford to extend this aid to these independent Bodies, and they will, henceforth be generally left to borrow in the open market for themselves, subject to such State supervision as the Government is, however, still pledged to some Loans to these Bodies which are in course of expenditure; and it cannot always thus throw Native States or the smaller Municipalities in the interior upon their own resources. The total Loans of this character outstanding on the 31st March 1878 were as follows:—

	£
Presidency Corporations	5,173,221
Native States	1,221,744
Landholders and Notabilities	548,753
Smaller Municipalities	153,478
District Committees	126,984
Total	£ 7,233,610

ACCOUNTS OF 1877-78.

31. In the following Synopsis, the Finance and Revenue Accounts of British India for 1877-78 are compared with the Regular and Original Estimates of the year, and with the Accounts of the preceding year (1876-77):—

Synoptis.

REGULAR ESTIMATES OF 1878-79, COMPARED WITH

Accounts of 1877-78.	Original Estimates, 1878-79.		Accounts, 1877-78.		Original Estimates, 1878-79.		Regular Estimates, 1878-79.		Accounts, 1876-77.	
	Better.	Worse.	Better.	Worse.	Better.	Worse.	Better.	Worse.	Better.	Worse.
	£	£	£	£	£	£	£	£	£	£
Revenue	1,430,000	...	5,710,689	...	886,000	4,845,087	...	...	4,333,313	1,209,359
Expenditure	...	3,281,606	...	867,613	44,000	129,155	...	...	3,271,516	931,765
Surplus	1,430,000	...	4,843,087	...	930,000	4,715,932	...	...	1,061,797	277,594
Deficit	...	1,851,606	...	156,924	...	...	5,030,139	...	...	...
Closing Balance	1,430,000	4,000,000	4,686,163	...	1,816,000	15,694,055	...	10,218,833	3,271,516	1,209,359
Receipts other than Revenue	...	...	...	...	900,000	...	3,570,141	...	3,271,516	1,209,359
Disbursements other than Expenditure	...	...	...	...	...	...	...	14,863,233	...	...
Excess Receipts or Disbursements	1,430,000	4,000,000	4,686,163	156,924	1,816,000	15,694,055	3,570,141	25,082,066	3,271,516	1,209,359
Public Balances Reduced	...	...	...	...	...	...	...	1,474,069	...	...
Public Balances Increased	...	...	4,529,526	...	916,000	1,474,069	1,474,069	...	1,061,797	277,594
Closing Balances	1,430,000	4,000,000	9,215,689	156,924	2,732,000	17,168,124	5,044,210	26,556,135	4,333,313	1,486,953

Accounts 1877-78.	Original Estimates, 1878-79.		Regular Estimates, 1878-79.		Accounts, 1876-77.	
	Better.	Worse.	Better.	Worse.	Better.	Worse.
	£	£	£	£	£	£
Revenue	63,950,000	64,980,000	64,980,000	65,980,000	61,004,313	59,772,953
Expenditure	61,004,313	62,980,000	62,980,000	64,980,000	59,772,953	58,841,188
Surplus	2,945,687	2,000,000	2,000,000	1,000,000	1,231,360	931,765
Deficit	...	...	...	...	...	...
Closing Balance	4,945,687	2,000,000	4,945,687	3,000,000	3,176,673	2,108,359
Receipts other than Revenue	4,945,687	2,000,000	4,945,687	3,000,000	3,176,673	2,108,359
Disbursements other than Expenditure	...	...	...	...	...	...
Excess Receipts or Disbursements	4,945,687	2,000,000	4,945,687	3,000,000	3,176,673	2,108,359
Public Balances Reduced	...	...	...	...	...	...
Public Balances Increased	...	...	...	...	...	...
Closing Balances	4,945,687	2,000,000	4,945,687	3,000,000	3,176,673	2,108,359

Accounts 1877-78.	Original Estimates, 1878-79.		Regular Estimates, 1878-79.		Accounts, 1876-77.	
	Better.	Worse.	Better.	Worse.	Better.	Worse.
	£	£	£	£	£	£
Revenue	8,542,097	...	8,334,138	2,309,(?)	8,477,888	1,122,097
Expenditure	4,791,062	4,798,100	...	163,369,659	2,634,761	...
Surplus	3,834,138	2,309,(?)	8,334,138	...	5,843,127	1,122,097
Deficit	...	...	...	161,060,659	...	98,130
Closing Balance	72,581,350	60,550,000	72,581,350	61,407,426	76,425,277	1,220,227
Receipts other than Revenue	72,581,350	60,550,000	72,581,350	61,407,426	76,425,277	1,220,227
Disbursements other than Expenditure	...	...	...	...	...	...
Excess Receipts or Disbursements	72,581,350	60,550,000	72,581,350	61,407,426	76,425,277	1,220,227
Public Balances Reduced	...	...	...	...	...	...
Public Balances Increased	...	...	...	...	...	...
Closing Balances	72,581,350	60,550,000	72,581,350	61,407,426	76,425,277	1,220,227

NCIAL STATEMENT FOR 1879-80.

NTS OF BRITISH INDIA FOR THE 1877-78, THE LATEST ESTIMATES HE YEAR 1878-79, AND THE FIRST ATES FOR THE YEAR 1879-80.

ION BY THE GOVERNMENT OF INDIA, ANCIAL DEPARTMENT, DATED 13TH MARCH, 1879.

PRELIMINARY.

THE Accounts of the Public Revenue and nditure and Receipts and Disbursements itish India in 1877-78 are hereto annexed ther with the Regular Estimates, based the latest information in the possession of overnment of the Revenue and Expendi- nd Receipts and Disbursements of 1878-79, he Budget Estimates of the Revenue and penditure and Receipts and Disbursements of 9-80.

2. In these documents the term Revenue is fined to money which is received into the Pub- Treasury neither in repayment of a Loan, vance or Deposit, nor as a Loan, Advance or posit to be repaid; and the term expenditure confined to money disbursed from the Public asury, neither in repayment of a Loan, Ad- ce or Deposit, nor as a Loan, Advance or sit to be repaid. Thus the difference be- een the Public Revenue and the Public Expen- re recorded in the Public Accounts of each ought to represent the addition to or re- ion of the Public Debt of all kinds during year.

3. In the Accounts of 1877-78 are recorded the Imperial and Provincial Revenue and penditure; the Local Revenue and Expendi- e being treated separately, and appearing in o Accounts under Debt only, that is to say, as Deposits and Repayments. In the Estimates of 1878-79 and 1879-80 the Local Revenue and Expenditure is incorporated with the rest of the Public Revenue and Expenditure, in the Accounts of which will henceforth be recorded all Public Revenue and Expenditure, excluding only the Accounts of Municipalities, Port Trusts, and other exclusively local and fiduciary Bodies.

4. The accounts of such of these bodies as bank with the Government will be recorded under a separate Major Head in the Debt portion the Accounts (see, for example, Headings Nos. I, and 2 in the appended Abstract Statement o. IV.) But the chief of these Bodies, such for stance as the Presidency Municipalities and Port Trusts, do not bank with the Government at all. Their transactions do not therefore appear in any shape in the Public Accounts. The policy of the Government is to promote the entire inde- pendence of these Bodies and of their responsi- bility for their finances.

CHANGES OF FORM AND GENERAL REMARKS.

5. The following changes have been made in the Forms of the Accounts since last year.

6. It has been considered advisable to open three new Major Heads of Revenue in order to show separately the Revenue which may be set against the Expenditure recorded under 17 *Minor Departments*, 23 *Medical* and 24 *Stationery and Printing*. Under *XIV Minor Departments* will be recorded the proceeds sales of the produce of the Government Chinchona Plantations, upon which considerable sums have been spent for some years past, and of Model Farms; also Emigration Fees, including the Inland Labour Transport Fund in Bengal, and the like. Under *XIX Medical* will be shown Contributions by Municipali- ties for Medical Services, the proceeds sales of medicines supplied to Charitable Dispensaries and the income of Lunatic Asylums, &c. Under *Stationery and Printing* will appear the sub- scriptions to the Government Gazettes and the receipts for books, publications and stationery sold. All these items have hitherto been group- ed under *XXIII Miscellaneous*; but the impor- ance of some of them is growing, and that of others has been so increased by the incorporation of Local Funds that they seem to deserve inde- pendent exhibition.

7. Under the Head *VI Provincial Rates* were shown in this year's Estimates the whole of the Incorporated Local Revenues. The bulk of this Revenue is derived from Rates and Cesses levied upon the rental or rent of land for various objects, such as Public Works, Education, Local Posts, &c. It is considered expedient to restrict this Head exclusively to the exhibition of these Rates and Cesses, transferring the remaining items of Local Revenue to their appropriate Heads as detailed in paragraph 56.

8. Owing to the incorporation of the Local Revenue and Expenditure, the adjusting entries under Heads XXIX & 36 will henceforth neces- sarily include the Local as well as the Provincial Surpluses or Deficits. Hence these Heads will in future be styled *Provincial and Local Deficits or Surpluses*.

9. By their contract arrangements with the Supreme Government the Provincial Govern- ments must surrender to the Imperial Treasury from the Balances at their credit any deficiency in their Provincial Revenue compared with their Provincial Expenditure. If they have no such balances, the Imperial Treasury bears the loss for the time: no credit is taken under *XXIX Provincial and Local Deficits* for a debt due from any defaulting Provincial Government until the debt is actually paid. On the other hand, the Provincial Governments are en- titled to receive from the Imperial Treasury any sums by which their Provincial and Local Expenditure falls short of their Provincial and Local Revenues, such surplus being added to the balances at their credit. Thus, the effect of the entries under the two Heads XXIX and 36 *Provincial and Local Deficits and Surpluses*, is to bring the whole of the Provincial and Local Revenue and Expenditure incorporated in the General Account into exact equilibrium, so that the incorporation of that Revenue and Expendi- ture produces no effect upon the Surplus or Deficit of the General Account, and might be eliminated without any disturbance of that results.

10. The Provincial Governments are, in their turn, responsible for the solvency of the Incor- porated Local Funds, and, as any Provincial deficiency is borne, until (if ever) it is recovered, by the Imperial Treasury, so, if the Expenditure from any Incorporated Local Fund exhausts the balance at its credit, the difference must be immediately made good from the Provincial Revenues until, if ever, the Pro- vincial Government recovers it. The effect of these arrangements is that in the General Ac- counts of Revenue and Expenditure no credit is taken for any unpaid debt, whether from Local Funds to the Provincial Treasuries, or, as already said, from the Provincial Treasuries to the Im- perial Treasury.

11. It is for obvious reasons indispensable that the yearly Expenditure of a State shall not ordinarily exceed its yearly Revenue except for reasons deliberately accepted as sufficient, as, for example, in India for the capital cost of Pro- ductive Public Works constructed for the deve- lopment of the resources of the country. The financial condition of that State is unsound whose yearly Public Revenues, rigidly criticised, are habitually less than its whole yearly Public Ex- penditure excepting only that portion which may be confidently trusted to produce a revenue at least sufficient to cover the interest on the excess Public Debt which results from it.

12. But this principle is much modified in its application to the Provincial Finances of the Indian Local Governments. These Governments are not allowed to incur debt; even borrowed money invested in Productive Public Works, for which the Local Governments are wholly respon- sible to the Imperial Treasury, being treated as a Debt of the Imperial Government, differing in no respect from the rest of the Public Debt of India. The Local Debenture Loans to be issued for Local purposes which will be present- ly described will form no exception to this rule: legally and practically, they will be part of the Public Debt of India, and not in any sense Debts of the Local Governments although they will issue them and be responsible to the Govern- ment of India for the payment of the interest upon them.

13. In short, the arrangements made during the past few years and still in course of develop- ment for the Provincial management of Provin- cial Finances are domestic arrangements between the Government of India and the Local Governments, affecting, indeed, intimately, their rights and obligations in relation to each other, but not their relations to any one else.

14. It follows that, subject only to the condi- tion that it shall never exhaust its balances in the Imperial Treasury and shall further ordi- narily maintain such sufficient reserve at its credit there, to provide for the contingencies to which it is exposed, as no substantial a constituent would be expected to keep in the hands of his bankers, a Local Government may spend its Revenues without any precise regard to the equilibrium of the year. So long, therefore, as a Local Government does not incur debt (which is absolutely forbidden), there is no objection to its spending more than its Revenue during the year. Indeed, one important advantage of the system is that the Local Governments are set free from the restriction that their yearly ex- penditure shall never exceed their yearly income —a restriction which, however essential to the financial welfare of the State as a whole, cannot always be conveniently applied to sections of the Administration.

15. The principles thus described as regulat- ing the management of Provincial Finances also regulate the management of the Local Finances which are subordinate to the Provincial Gov- ernments. It rests with the Imperial Govern- ment to prevent the Local Governments from overdrawing their Accounts with the Imperial Treasury, and with the Provincial Governments to enforce the same wholesome rule upon the Managers of the Incorporated Local Funds. The penalty for any default falls immediately upon the Imperial or Provincial Treasury, as the case may be.

16. Under instructions from Her Majesty's Secretary of State a new Abstract Statement, No. II, was added last year in the form in which the Accounts of British India are now presented to Parliament. In this form are separately shown, on the one hand, the gross Revenue derived from *Productive Public Works* (formerly styled *Public Works Extraordinary*) and the net Revenue from the Railways and Irrigation Works on the Capital cost of which interest is guaranteed from the Public Revenues; and on the other hand, the working expenses of the Productive Public Works together with the guaranteed interest actually paid, and interest calculated upon the Capital cost of the State works which yield the Revenue thus separately shown, and any other current expenditure upon both classes of works.

17. The separation is not yet complete. The Government has not yet succeeded in ascertain- ing the increase of the Land Revenue which may be properly attributed to Productive Public Works in the Madras Presidency; and the consi- derable Gain and Loss by Exchange which arise out of the transactions thus eliminated from the Accounts of the rest of the Public Reve- nue and Expenditure is, not yet, included in this separate category. There are other less im- portant items which ought also to be incorporated in this separate Schedule before it can be really complete.

18. Meanwhile it would be contrary to the in- tention and object of this Separate Account to admit to it any Revenue derived from works, the Capital cost of which is not included in the amount upon which the interest separately shown in the Account is calculated, or any Ex- penditure upon such works. The Public Expen- diture upon Railways and Works of Irrigation is not, however, by any means confined to works treated in the Accounts as *Productive Public Works*. In Bengal, for example, the Calcutta Canals and Nuddea Rivers yield considerable Provincial Revenue and involve considerable Provincial Expenditure; in the North-Western Provinces the *Eastern Jumna Canal* yielding a Revenue of more than £50,000, has not yet been treated as a Productive Public Work, because its Capital cost cannot be fully ascertained and has not appeared in the Public Accounts under the Head 39, *Productive Public Works*, and the Local Government has subscribed from Provincial Funds part of the Capital cost of the *Mathura-Hatras Ghazipore-Dildarnagar* Railways; and the Government of India has now in hand several small Railways to be constructed principally for the Salt traffic. Then again there are surveys for both Canals and Railways and the like which cost money, though they do not always result in the construction of *Productive Public Works*.

19. It was intended to record all this class of Expenditure and the Revenue derived therefrom in this year's Estimates under 31 and XXIV *Public Works Ordinary*, but this intention was not accurately fulfilled, the items grouped in the Separate Account of Productive Public Works having accidentally included the Revenue and Expenditure of the Eastern Jumna Canal and other Works, not Productive Public Works. This year the incorporation of Local Funds adds largely to works of this class.

20. It seems better, therefore, on every con- sideration, to include all such Revenue and Expenditure in the first instance under the Headings XXV and 32, *Irrigation* (adding to it *Navigation*) and XXVII and 34, *State Railways*, and then, as is already done with 1, *Interest*, to abstract for the Separate Account of Productive Public Works the items which alone belong thereto. The Accounts of 1877-78, as well as the Original Estimates of 1878-79, have been re-classified upon this plan.

21. The Government has determined to in- clude in the Productive Public Works Statement this year as much of the [illegible] as can be approximately ascertained. The amount thus shown in the Separate Schedule under *I, Land Revenue* belong to the North-Western Provinces, the Punjab, and Bom- bay. It should be understood that these figures are only estimates made upon such bases of facts as can be discovered. Often, no distinction was made when the revenue was assessed, between the portion of the Land Revenue attributed to these works of Irrigation and the remainder which would be demanded if no Irrigation were provided; and if such a distinction actually had been made it would frequently have been arbi- trary. It is certain that, generally, more Land Revenue is collected by reason of these works than would be collected if they did not exist, but what precisely is the amount thus in excess, is a question which can, often, be answered only conjecturally, according to experience and in- dividual opinion.

22. The transactions of the State with the *Madras Irrigation and Canal Company* have been excluded for the present from the transactions with the Guaranteed Railway Companies.

23. Abstract Statement No. III has been re- cast so as to show the Revenue and Expenditure under each Head classified as *Imperial Provincial* and *Local* respectively, together with the Pro- vincial and Local Surpluses or Deficits, and the Opening and Closing Provincial and Local Balances. The Statement thus recast exhibits clearly the financial condition of the Provincial Governments and the general operation of the contract arrangements with them. Moreover the use of Italic or transfer Heads is for the most part obviated. The share of the License Tax and the Famine Cess appropriated by the Imperial Treasury as an Insurance against Famine, and the portion of the Canal Revenue in the North-Western Provinces reserved by the Supreme Government when the Canals in those Provinces were handed over to Provincial use and management are now simply placed in the Imperial Column of this Statement, by deduc- tion from the entries in the Provincial Column. On the other hand, the payments by Local Gov- ernments as interest on the Capital cost of their Productive Public Works, and for stamps and stationery supplied from the Imperial Central Stores, are, in the same way, abstracted from the Imperial Column and added in the Provincial Column.

DEVELOPMENT OF PROVINCIAL SYSTEM IN BRITISH BURMAH AND ASSAM.

24. The Provincial contracts with British Burmah and Assam have been revised and greatly expanded with effect from the beginning of 1878-79. A new feature in the arrangements with these Provinces is that, in place of a Fixed Allotment, a share of the net reserved Imperial Revenues has been assigned to them, so that the Provincial Finances will participate in any im- provement of those Revenues. Thus the Public Revenue and expenditure in British Burmah and Assam is now divided into (1) *Wholly Imperial*, (2) *Wholly Provincial* and (3) *Jointly Imperial and Provincial*. With the exception of the Army, the Wholly Imperial portion is not important in either Province; in Burmah, it is insignificant.

25. Owing to the geographical isolation from India of British Burmah, there are no such dif- ficulties there as impede the complete surrender of some important items of Revenue and Expen- diture to Provincial use and management else- where. For example, the *Salt* and *Customs* Revenue levied in Bombay, Calcutta and Upper India cannot be divided among the several Pro- vinces from whose consumption those Revenues are obtained. But in Burmah there is no such obstacle. Consequently the Government of India has been able to make with that Province the most complete Provincial contract yet exist- ing; only a few items, *viz.*, the *Army*, the *Post Office* and *Telegraphs*, the *Account Office*, *Political Service* and the *Movement of Funds*, have been retained as wholly Imperial. A few more items, *viz.*, the *Land Revenue* (exclud- ing *Fisheries*), the *Export* Duties on Rice and Paddy, and *Salt*, with the corresponding *Refunds* and *Charges*, including under *Land Revenue*, only the *Charges of collection*, *Survey* and *Settlements*, have been treated as Joint to be divided between the Imperial and Provincial Treasuries. All the rest of the Revenue and Expenditure has been made "Wholly Provincial."

26. The scheme is, to some extent experimen- tal: but it has been framed on a basis calculated to give to the Chief Commissioner a much needed increase of Provincial Resources. It is believed that some judicious public expenditure in Burmah would yield especially valuable financial results; and the Government of India only regrets that it cannot, under existing circumstances make even more liberal concessions to that Province. In Assam also the Resources of the Chief Commis- sioner have been improved. With the exception of the substitution of a share of the joint Revenues for a Fixed Allotment, the new arrangements, there follow closely the contract with Bengal, so that there will be no difficulty in this respect in the re-union of the two Provinces, in case this measure should at any future time, be adopted.

27. The general effect of the new arrangements with the two Provinces may be gathered from a comparison of the Local Estimates which were prepared upon the old basis with the Estimates recast by the Government of India upon the new basis as follows:—

Provincial and Local Revenue and Expenditure of Assam and British Burmah for 1878-79 *(Regular Estimates)* and 1879-80 *(Budget Estimates.)*

	ASSAM.			
	LOCAL ESTIMATES.		REVISED BY GOVT. OF INDIA.	
	1878-79.	1879-80.	1878-79.	1879-80.
	£	£	£	£
Revenue	211,500	214,000	365,700	359,900
Expenditure	226,900	215,400	348,000	366,600
Surplus	...	...	17,700	3,000
Deficit	15,400	15,100	...	...
Closing Balance	20,000	5,500	85,100	55,100
	BRITISH BURMAH.			
	LOCAL ESTIMATES.		REVISED BY GOVT. OF INDIA.	
	1878-79.	1879-80.	1878-79.	1879-80.
	£	£	£	£
Revenue	491,300	497,800	945,900	967,300
Expenditure	416,500	541,100	882,600	1,019,900
Surplus	...	...	53,300	...
Deficit	15,500	103,300	...	52,600
Closing Balance	87,300	—160,100	166,200	145,600

27. This table shows that the effect of the measure in the two years was the addition of £49,600 to the Provincial and Local Revenues of Assam, and £159,600 to those of British Burmah. From this last sum may properly be deducted £20,000, which, although not in the Contract, the Government of India has, in practice, been compelled yearly to assign specially to British Burmah. But the residue constitutes a substantial and much needed addition to the means at the disposal of the Chief Commissioner. In both Provinces it may be hoped intended to increase the Local Cesses for Local purposes, and the Provincial Revenues will now contain elements of growth. On the whole, it may be hoped that the wants of these two undeveloped Provinces have now been supplied for some time to come. In any case it will be manifestly difficult for the Government of India soon to surrender to them any more of the General Resources.

LOCAL DEBENTURE LOANS.

28. As a further development of the policy of Provincial management of Provincial Finances, it is intended to issue, as opportunity offers, Local Debenture Loans the proceeds of which will be devoted to particular works. These Debenture Loans will be part of the Funded Debt of India, and, technically and legally, the security for them will be the same as the security for the General Debt, namely, the whole Public Revenue of India. They will differ from the General Loans as follows:—

1st.—The interest upon them will not be payable at or near the Presidency Towns, but only locally in the neighbourhood of the works for the con- struction of which they are raised.

2nd.—They will be raised in the name of the Local Governments, who will be responsible to the Government of India for the due discharge of all obligations arising out of them.

3rd.—The Debenture-holders will receive, be- sides their interest, a share of the profits of the works constructed with their money; and, al- though allowed no property in the works, will be invited to assist in their management, as has been already successfully done in the case of the *Mathura-Hatras* Local Railway.

29. It is hoped, by this expedient, to draw out local resources which might otherwise con- tinue latent, and to promote the success of the works by giving to the Debenture-holders a pecu- niary interest in them and taking advantage of their knowledge of local requirements and native habits and wants.

LOANS TO MUNICIPALITIES.

30. There has been a change in the policy of the Government as respects Loans to Municipa- lities and other Corporations. For some years past, these Bodies have borrowed all the money which they have required from Public Treasury which could afford to lend them money rather more cheaply than they could obtain it in the open market. This plan had also this advantage, that the Public Funded Debt of India represented, substantially, the whole Debt of the country, including the Debts of these Corporations. But the demands upon the Imperial Treasury for capital required for investment in State works are now so considerable, compared with the limits of its resources, that the Government can no longer afford to extend this aid to these inde- pendent Bodies, and they will, henceforth be generally left to borrow in the open market for [illegible] The Government is, however, [illegible] some Loans to these Bodies which are in course of expenditure; and it cannot always thus throw Native States or the smaller Municipali- ties in the interior upon their own resources. The total Loans of this character outstanding on the 31st March 1878 were as follows:—

	£
Presidency Corporations	5,173,221
Native States	1,221,744
Landholders and Notabilities	548,183
Smaller Municipalities	169,478
District Committees	126,984
Total	7,233,610

ACCOUNTS OF 1877-78.

31. In the following Synopsis, the Finance and Revenue Accounts of British India for 1877-78 are compared with the Regular and Original Estimates of the year, and with the Accounts of the preceding year (1876-77):—

ACCOUNTS OF 1877-78, COMPARED WITH	Accounts, 1876-77.		Original Estimates, 1877-78.		Regular Estimates, 1877-78.		Accounts, 1877-78.	
	Better.	Worse.	Better.	Worse.	Better.	Worse.	Better.	Worse.
	£	£	£	£	£	£	£	£
Revenue	...	4,383,618	...	1,300,000	...	5,684,787	...	5,710,141
Expenditure	2,970,516	...	5,951,385	...	7,185,032	...	4,084,839	...
Excess Ordinary Expenditure over Revenue	...	1,412,902	...	4,651,385	...	1,500,245	...	1,625,302
Public Works	...	1,970,076	...	2,600,000	...	2,184,000	...	2,313,000
Net Excess Expenditure	...	3,382,978	...	7,251,385	...	3,684,245	...	3,938,302
Receipts other than Revenue	4,880,099	...	3,211,000	...	3,711,000	...	3,711,000	...
Extraordinary Expenditure	...	115,124	...	2,068,730	...	1,026,755	...	1,026,755
Excess Receipts over Expenditure	4,764,975	...	...	1,248,345	26,755	...	...	226,453
Public Balances Reduced	...	1,455,253	...	1,974,000	...	1,974,000	...	1,974,000
Public Balances Increased	...	1,374,722	...	300,000	...	300,000	...	300,000
Closing Balances	15,674,959	...	14,426,606	...	14,426,606	...	15,674,959	...

32. According to these Accounts, the whole Public Expenditure of British India in the year 1877-78 exceeded the Public Revenue by £8,334,139. But, in order to get the exact facts, £281,687 must be added to this sum, being the amount transferred to Revenue from the book- balances of the extinct Military Funds which, as has now been repeatedly explained, cannot safely be treated as Revenue: also £768,058, the sum by which the entry under the Head of 38, *Loss by Exchange*, falls short of what it would have been if the whole net current requirements of the Home Treasury had been remitted, excluding transactions affecting the Registered Debt and the Railway Capital Account. To allow to this year credit for any saving under this Head which arises from the borrowing operations of the year, would be plainly a deception. On the other hand there is a set-off of £117,705, being the dis- count paid on the Loan of the 7th June 1877 which cannot be regarded as a proper charge of the year. Thus, the whole true excess Expendi- ture of the year becomes £9,266,179, or, more correctly, Rs. 9,26,61,790, which is the measure of the increase of the Public Debt during the year.

33. Of this large sum, £4,968,123* is due to the construction of Productive Public Works, in pursuance of the policy deliberately adopted. The remaining £4,298,056 is the result of the measures taken for the preservation of the lives of the people of South India from Famine. The Financial Statement for 1878-79 contains some calculations pointing to the conclusion that the Famine caused adverse financial results in the Accounts of 1877-78 estimated at 6¼ millions sterling. The loss of Land Revenue in that year exceeded the loss then estimated by £77,000. The losses of other Revenue also were greater than were then calculated, while the Expenditure recorded under the Head of 30, *Famine Relief*, was more by £111,775, and the Expenditure on the Army on account of scarcity exceeded the Estimate. On the other hand, the Net Revenue from the Guaranteed Railways was larger by £394,163 than was then supposed, and some of this excess was probably occasioned by the Famine traffic. On the whole, the net adverse effect of the Famine upon the Accounts of 1877-78 may still be reckoned at about £6,500,000. If this Estimate is correct, it follows that, but for the Famine, the Revenue Accounts of 1877-78 would have shown a Surplus of about £2,201,944. Provided that the works upon which the ex- cluded £4,968,123 was spent could be trusted to be truly reproductive, this result might be re- garded as very satisfactory.

34. The principal works upon which this money was spent will be found in Tables Nos. VII and VIII of Appendix B. Of the Irrigation Works in the List there given it is to be feared that the prospect of the Orissa and Midnapore Canals proving remunerative is remote, although it does not follow that the comparatively small sums spent on those works this year will not be remunerative. The only item of the Expenditure upon Irrigation Works which must be looked upon as not in any measure directly remunera- tive, however otherwise highly beneficial, is the £86,387 spent upon the Western Jumna Canal, which is in course of realignment at a very large cost, principally for sanitary reasons. Of the money invested in Railways, £1,584,543 spent upon the Indus Valley and Punjab Northern Lines is expected to yield but a small return. From the nature of the country these works are very costly; their earnings are little likely to be large; and they were undertaken for strategic reasons only. In a consideration therefore of the finances of 1877-78, it must be borne in mind that it cannot confidently be expected that £1,670,930 of the expenditure excluded as reproductive will really within any period which can now be foreseen, produce a net income sufficient to cover the interest thereon. At the same time, there is good hope that the value on the commercial and economical benefits conferred upon the Punjab and Sindh by these great Frontier Railways, to- gether with their military uses, will exceed that interest; and, at least, it may be said that the Expenditure upon them has been and will be extremely useful.

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	£	£
Net Assessed Taxes		82,479
Net Additional Rates		234,847
Additional Salt Revenue (which accrued tempo- rarily) (say)	50,000	
Retrenchment from Local Governments	189,300	
	557,126	

36. Some portion of those taxes however ac- crued to the Local Governments, and it is better to state the effect upon the Imperial Treasury as follows:—

	£	£
CONTRIBUTIONS FROM—		
Bengal	200,000	...
North-Western Provinces	240,967	440,967
Less net Revenue from Canals and Railways surrendered to—		
North-Western Provinces	179,722	...
Deduct excess working expenses in Bengal	—19,231	160,491
Net	...	271,476
Add Retrenchments as before	...	189,300
Total	...	461,276

37. This then is the outturn of the finances of 1877-78. If the Famine costing £6,500,000 and the Expenditure on Productive Public Works amounting to £4,968,123 be eliminated, there remains a surplus of £2,201,944. But for the measures to which reference has been made, this surplus would have been smaller by £461,279, or in all £1,740,668. On the other hand, it has to be remembered that a portion of the Productive Public Works, costing £1,670,930, is expected (however useful the works may other- wise be) to yield, for a long time to come, only small interest.

38. According to the Accounts as abstracted in *Statement No. II*, the working expenses of the Productive Public Works during the year, to- gether with interest on their Capital cost, amounted to £7,359,204, while they yielded a revenue of £7,319,676. Adding Gain by Ex- change, £214,443, and Loss by Exchange, £123,101, without [illegible] to be made with exactness, [illegible] some Loans to these Bodies which are in course of expenditure; and it cannot always thus throw Native States or the smaller Municipali- ties in the interior upon their own resources. The total Loans of this character outstanding on the 31st March 1878 were as follows:—

	£
Presidency Corporations	5,173,221
Native States	1,221,744
Landholders and Notabilities	548,183
Smaller Municipalities	169,478
District Committees	126,984
Total	7,233,610

ACCOUNTS OF 1877-78.

31. In the following Synopsis, the Finance and Revenue Accounts of British India for 1877-78 are compared with the Regular and Original Estimates of the year, and with the Accounts of the preceding year (1876-77):—

1877-78.	Accounts, 1876-77.		Original Estimates, 1877-78.		Regular Estimates, 1877-78.		Accounts, 1877-78.	
	Better.	Worse.	Better.	Worse.	Better.	Worse.	Better.	Worse.
	£	£	£	£	£	£	£	£
Revenue	...	4,383,618	...	1,300,000	...	5,684,787	...	5,710,141
Expenditure	2,970,516	...	5,951,385	...	7,185,032	...	4,084,839	...
Excess Ordinary Expenditure over Revenue	...	1,412,902	...	4,651,385	...	1,500,245	...	1,625,302
Public Works	...	1,970,076	...	2,600,000	...	2,184,000	...	2,313,000
Net Excess Expenditure	...	3,382,978	...	7,251,385	...	3,684,245	...	3,938,302
Receipts other than Revenue	4,880,099	...	3,211,000	...	3,711,000	...	3,711,000	...
Extraordinary Expenditure	...	115,124	...	2,068,730	...	1,026,755	...	1,026,755
Excess Receipts over Expenditure	4,764,975	...	...	1,248,345	26,755	...	...	226,453
Public Balances Reduced	...	1,455,253	...	1,974,000	...	1,974,000	...	1,974,000
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* By the Finance and Revenue Accounts..... £4,791,052
Add—Loss by exchange on £1,146,423 (included in this sum) remitted home, calculated at the aver- age rate of the year £177,071
Total..... £4,968,123

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pare the salt-revenue of the Maharaja was about £27,000. The customs revenue of the Dholpur State was more than £7,500. The sum of £78,700, to be paid annually to the Maharaja of Jondhpore for the lease of the four tracts within his territories, represents approximately, on a liberal estimate, the annual revenue which the State realised by the taxation of salt produced within those tracts.

92. It is not expected that the British Government will make any direct profit from the salt consumed in these four States by their people. The total estimated revenue to be derived by this Government from a tax on the consumption of these States is set at £165,000. Against this sum must be set the payments and remissions to be made to the British Government, amounting altogether to £88,400. The £150,000, the average revenue derived from the sugar export duty which have been given up, and which fell entirely on the people of these Native States, has been left out of this account.

93. It will be seen from the foregoing general description of the arrangements concluded, that the Chiefs have been treated with great liberality. They have been amply compensated for the possible loss of revenue; and there is every reason to believe that they are well satisfied with the terms they have obtained. Moreover, all persons whose proprietary or manufacturing interests are affected, have been fully indemnified, while many advantages have been given to the people which will go far to compensate the fresh salt-taxation they will have to bear.

94. Nor must it be forgotten that the British Government has already spent seven millions sterling and will eventually have spent ten millions, on railways running through the Native States of Rajputana and Central India. The people of all these States benefit by the cheapened and facilitated transport of every article carried by these railways, and the great trunk lines with which they are connected, as well as by the cessation of transit duties, wherever the railways displace road traffic; their communications with the sea-board and with the great trading marts of India, which had hitherto been exceedingly bad and unsafe, have been made easy and secure, to the great advantage of their trade.

95. The general financial result of the whole of the arrangements now nearly completed may be stated as follows:—The Government expects to receive altogether on account of the consumption of salt in the Native States £265,600. It also expects an eventual saving in establishments, &c., in the Inland Customs Line of £65,000. The total gain is thus £330,600. On the other hand, the estimated expenditure on account of compensations, &c., paid to the Native States under the new agreements, and under the Sambhur Treaties of 1869, amounts to £258,900. To this sum has to be added £150,000 on account of sugar duties relinquished, making a total of £408,900.

96. The balance in favour of the States affected by these measures is therefore about £143,000, and the balance against the British revenues is about £48,000 a year. This, it is confidently expected, will be recovered by the increased consumption that will follow the reduction of the cost of salt in British territory, and, in spite of the duty, in many parts of the Native States.

97. Except by measures of the kind which have been described, the abolition of the Inland Customs Line would have been impossible.

98. The Governor General in Council hopes that the essential objects of the fiscal policy which the Government of India and that of Her Majesty have long had at heart, have now been, for the most part, secured, and, that, in the attainment of those objects, the compensation of local interests has been equitably adjusted. For this result, great credit is due to the Political Officers concerned in the negotiations, and especially to Mr. A. C. Lyall and Sir Henry Daly, to whose experience and ability may be attributed the good-will and friendly accord with which these arrangements have been settled in Rajputana and Central India. Nor must reference be omitted to the services of Mr. A. O. Hume in connection with this policy. The agreements which have now been made are the logical complement of the preceding Agreements which were negotiated by Sir Lumsden in 1870 with the States of Jodhpore and Jeypore, on behalf of the Government of the late Lord Mayo, for the joint management of the Sambhar Lake. In a minute, dated the 9th July 1874, on the subject of the Sambhar negotiations, Sir John Strachey observed that the responsibility for them "practically rested with Mr. Hume, and that to him belongs the credit of their eminently satisfactory results." After the ratification of the treaties concluded by Mr. Hume, the system of management at the Sambhar Lake was amended and improved in the light of considerable difficulties. That system has since worked admirably, and it has latterly been superintended and developed with much ability by Mr. G. H. M. Batten, who succeeded Mr. Hume as Commissioner of Customs.

99. The pledges given by the Government last year in regard to the salt duties have now been fulfilled. The increase of duty in Madras and Bombay, combined with the reductions in the Bengal Presidency, was estimated to give a net temporary increase to the salt revenue of £300,000. Regarding this, Sir John Strachey said in his speech in the Legislative Council on the 27th December 1877:—"As the avowed policy of the Government is to equalise the salt duties by the reduction of these duties in the Bengal Presidency, this last-named addition of £300,000 will not constitute a permanent item of revenue. On the contrary, it is our intention, so soon as the improved position of the country will admit, to carry out the long-deferred equalisation of these duties, which will involve the sacrifice of the temporary increase of income which our financial needs will not permit us to forego." The sacrifice of revenue involved by the measures of reduction taken in July last is estimated at £300,000 the same amount which had been gained by the measures of the previous December in Madras and Bombay.

100. The salt duty has thus been equalised throughout India at the rate of Rs. 2-8 per maund, with this exception—that in the Lower Provinces of Bengal the rate remains for the present at Rs. 2-14. In Burmah the duty remains at 3 annas a maund.

101. *IX. and II., Opium.*—Revenue more £1,097,000. Expenditure less £487,000, Net Revenue £7,554,000 being £1,584,000 more than estimated. This Net Revenue has been only once exceeded (1871-72). Of the improvement, £1,034,000 has occurred in Bengal and £550,000 in Bombay. Both the Bengal and the Malwa crops failed seriously last year, but the Malwa stock seems to have been larger than was supposed. A saving in the payments for the Bengal drop does not properly appertain to the year in which it happens, so that the finances of 1878-79 may be held to be unduly benefited under this Head to the extent of £487,000.

102. The average price obtained for Bengal Provision Opium during the year was Rs. 1,228 a chest, being Rs. 68 more than was estimated.

103. Only 43,140 chests of Bengal Provision Opium were manufactured from the Crop of 1877-78, as follows:—

Behar	18,140
Benares	25,000
	43,140

This is the smallest outturn from the Patna Factory since 1850-61.

104. The Reserve Stock from the Crop of 1876-77 on the 31st December 1878 was as follows:—

Patna	20,253
Benares	28,229
	48,483

105. *X & 12, Stamps.*—Revenue more £94,000, Expenditure less £8,000, improvement altogether £102,000. Net Revenue £2,955,000; being the largest Net Revenue yet obtained. The improvement is in Bengal £45,000, the North-Western Provinces £26,000, Madras £29,000, and Burmah £13,000.

106. *XI, Mint.*—Revenue less £8,000, Expenditure less £5,000, Net Revenue less £3,000, Net Revenue £67,000. Notwithstanding the small importation of silver, Rs. 5,51,20,000 has been coined to date, the Mints having begun the year with large balances.

107. *XIII & 29, Miscellaneous.*—Revenue more £178,000, Expenditure more £25,000, Net Revenue more £153,000, Net Revenue £60,000, Revenue aggregating £153,800 transferred to this Head from *VI, Provincial Rates*, and £16,000 from *1, Land Revenue*. Some corresponding expenditure has also been transferred in like manner.

EXPENDITURE, 1878-79.

108. *1 & XXI, Interest on Debt.*—Expenditure more £98,000, Revenue more £50,000, Net Expenditure more £48,000. Of the increase of Revenue, £12,000 is transferred from *VI, Provincial Rates*, and belongs to Local Funds. Thus the real increase of Net Expenditure is apparently £36,000. It is really much larger; for the Estimate was made upon the expectation that the coming Loan would be raised at 4 per cent. and £200,000 discount was provided; the actual discount is only £39,000. The true corrected excess in Expenditure for interest is accordingly £197,000. Net Expenditure £5,335,000, more by £18,000 than last year.

109. Under Notification No. 616, dated 27th May 1878, £2,500,000 was borrowed at 4½ per cent. for 5 years. This Loan was subscribed at an average of Rs. 98-6-10 for Rs. 100, and the discount (£39,284), is recorded under this Head in the Regular Estimates.

110. On the 12th August last, a Transfer Loan was issued for ten Crores of Rupees to enable the Government to discharge the Five and-a-half per cent. Loan of 1859-60, which will mature on the 1st May 1879. The conditions of the Transfer Loan were those of the [illegible] May,

namely, 4½ per cent. for fifteen years, with some slight special advantages. As an alternative, a form of security was proposed which was designed to yield about 4 per cent. by the Sterling Standard; it was not open to the Government of India to adopt the simpler plan of paying an equivalent amount of sterling interest in London: it was supposed, however, that some of the holders of the Five-and-a-half per cent. Loan would prefer to Rs. 45 a year, a varying sum in Rupees which would always closely represent £3-10 a year, that is to say, that they would be willing to contract for a permanent exchange of 1s. 6¾d. for the remittance of their interest home, and prefer 4 per cent. with the exchange so far secured, to 4½ per cent. without any protection against the fluctuations of the exchange. But this expectation was not fulfilled. Notes for only £25,000 having been issued in the Seven Shillings Per Cent. form.

111. The total amount of the Five-and-a-half Per Cent. Loan outstanding when the operation began was £9,845,170. Circumstances have not been favourable for the operation; but nevertheless, substantially, the transfer has been effected, enough of the holders of the Five-and-a half Per Cent. Loan having transferred their holdings to the Transfer Loan to enable the Government with the assistance of the cash subscriptions to the Transfer Loan (amounting to £1,393,457), to issue formal notice that the Five-and-a half Per Cent. Loan will be paid off at maturity. The reduction of interest thus effected will cause a considerable yearly saving; but the payment this year, in anticipation of due date, of the last half-year's interest on the Five-and-a-half Per Cent. Loan, has added to the expenditure this year.

112. *3, Refunds.*—The increase of £33,000 is entirely for the Licence Tax Refunds (£38,000), of which £30,000 are estimated at Bombay.

113. *14 & XII, Post Office.*—Expenditure more £67,000. Revenue more £38,000. Net worse £29,000. Net Expenditure £99,000. The excess expenditure is owing to the transfer to this Head, of Provincial and Local Expenditure from 17, *Minor Departments*. The Imperial Account shows an improvement. It is to be remembered that there are Cesses included under *VI, Provincial Rates*, levied to cover the Local Expenditure now incorporated. These Cesses aggregated £35,400 this year.

114. *15 & XIII, Telegraphs.*—Expenditure less £43,000. Revenue more £42,000. Net better £85,000. Net Expenditure £95,000, the lowest net expenditure yet recorded. The improvement is chiefly in State messages, and is partly attributed to the military operations beyond the Frontier.

115. The Director General remarks that it is worthy of note that notwithstanding the loss upon working the Ceylon Line (from which loss the Government of India is seeking relief), the net charge of the Indian Telegraph Department on the Imperial Revenue is now solely due to Capital Expenditure.

116. 16, *Administration.*—Increase £21,000, spread over various Provinces.

117. *17 & XIV, Minor Departments.*—Expenditure less £187,000. Revenue more (for Cinchona) £40,000. Net Expenditure £297,000. Local Funds Expenditure estimated under this Head now transferred to others.

118. *18 & XV., Law and Justice.*—Expenditure more £101,000. Revenue more £51,000. Net Expenditure more £50,000. High prices of food and consequent increase in cost of maintaining prisoners.

119. *19 & XVI, Police.*—Expenditure more £57,000. Revenue more £144,000. Net Expenditure less £87,000. Net Expenditure £2,212,000. Local Funds (chiefly Cattle Pounds) yielding £129,000 of Revenue with corresponding expenditure, transferred from *VI, Provincial Rates and 17 Minor Departments.*

120. *20 & XVII, Marine.*—Expenditure more £23,000. Revenue more £32,000. Net Expenditure less £9,000. Net Expenditure £364,000. No remarks.

121. *21 & XVIII, Education.*—Expenditure less £29,000. Revenue more £34,000 (£28,000 transferred from *VI, Provincial Rates*). Net Expenditure less £63,000. Net Expenditure £841,000. Saving in Madras.

122. *22, Ecclesiastical.* Saving £6,000. Accidental.

123. *23 & XIX, Medical.*—Expenditure more £6,000. Revenue more £20,000, Net Expenditure less £4,000. Net Expenditure £610,000. No remarks.

124. *24 & XX, Stationery and Printing.*—Excess Expenditure £79,000. Excess Revenue £28,000. Net Excess Expenditure £51,000. Net Expenditure £461,000. Growth of expenditure general.

125. *25, Political.*—More £68,000. Arrears of subsidy paid to His Highness the Khan of [illegible]

126. *26, Allowances and Assignments.*—Excess £178,000, of which £164,000 is for the salt payments for Sambhar, and under the new engagements with Native States in Rajputana.

127. *27, Civil Furlough, Allowances.* Less £2,000; accidental.

128. *28 & XXII, Superannuations.*—Expenditure more £139,000. Revenue more £80,000; explained mainly by the authorised retirement of many of the Subscribers to the Bombay Medical Retiring Fund, who will receive back their subscriptions amounting with interest to £68,739. The balance at credit of the Fund did not suffice to meet the claim of these Retiring Members. Apart from this, however, the expenditure under this Head, already large, is generally increasing. Net excess Expenditure £59,000. Net Expenditure £1,303,000.

129. *30, Famine Relief.*—Excess Expenditure £65,000. A grant of £500,000 was made all for expenditure in Madras. In this Presidency the actual expenditure is only £450,000, the Provincial Government having contracted to close the Famine Account for this sum. But £100,000 has been spent in the North Western Provinces and Oudh, of which £57,500 was paid from Provincial Resources, £4,000 in Bombay, and £1,500 in Rajputana.

130. In the 13th paragraph of the Resolution prefixed to the Financial Statement for 1878-79, the ultimate net cost of the Famine of 1876-78 in South India was estimated at £9,750,000; but it was explained in the Statement itself that perfect accuracy was unattainable. The difficulty of making any accurate estimate has now been increased by the complication of scarcity supervening in Upper India before the cessation of Famine Expenditure in the South.

131. The arrears of Land Revenue collected in 1878-79 are expected to exceed the Regular Est mate by £170,000; and it is estimated that in 1879-80 further arrears amounting to £200,000 lying over from the Famine in Southern India will be collected. Perhaps the net direct cost of the Famine may now be estimated at £9,400,000; namely, £1,300,000 in Bombay and £8,100,000 in Madras. But the loan to Mysore has now been increased to £800,000, making with £500,000, lent to His Highness the Maharaja Sindhia, £1,300,000 in all lent to Native States. The cost of the Dhond and Munmar Railway, which was undertaken solely on account of the Famine, is now estimated at £1,350,000; it is impossible at present to say to what extent this capital expenditure will be reproductive; it is as yet yielding little or nothing. There were other items of expenditure of a like kind which cannot be so readily identified.

132. Altogether the disbursements of the Government of India, together with the loss of Revenue due to the Famine in South India, will probably fall little short of £13,000,000. The loss in the country must have been much more than even this formidable sum.

133. *31 & XXIV, Public Works Ordinary.*—Expenditure less £84,000. Revenue more £328,000. £296,000 transferred with corresponding expenditure from *VI, Provincial Rates* (chiefly ferries and tolls). Net Expenditure less £412,000. The transferred Local Revenue greatly exceeds the transferred Local Expenditure.

134. *32 & XXV, Irrigation and Navigation.*—Revenue more £105,000. Expenditure less £105,000. Net Expenditure less £205,000. £85,500 Revenue transferred from *VI, Provincial Rates*. Owing to the changes which this head has undergone, it is not possible to explain the remaining difference from Estimates satisfactorily.

135. The portion of these Heads which appertain to *Productive Public Works* is separated off below the first total in abstract Statement No. II and shows Revenue more £29,000, Expenditure more £13,000. Net Revenue more £16,000. Net Revenue £195,000.

136. *33 & XXVI, Guaranteed Railways.*—The Details of these Railways will be found in the Appendix (Table No. V), and a comparison between the original and the present estimates of the finances of these Railways for the current year can be most conveniently made by that Table. It was originally estimated that these Railways would impose upon the Revenue a net charge of £906,250. The charge is now expected to amount to £1,490,400, or £583,950 more. Of this sum £92,500 is due to a falling off in the Net Traffic Earnings chiefly by reason of large expenditure for the restoration of works injured by floods; £164,500 to an increased charge for interest, which is entirely caused by the fall in the Exchange, for the actual sterling payment is £10,000 less: the share of the increased loss by exchange which appertains to these transactions is in fact £170,400. £294,000 is for increased surplus payments to the Companies, of which half is due to the earnings during the last half year of 1877-78 having been larger than was expected, and half to an error in the Original Estimate, and £42,450 is owing to excess loss upon the Capital Transactions.

137. The three Railways are now expected to yield £1,884,256 less than in 1877-78, and a smaller net revenue than in any earlier year since 1872-73.

be far larger than in any of these earlier years; but the working expenses are, owing to costly restorations, rather high. A main cause of the unfavourable comparison of the present year with recent years other than 1877-78 (the circumstances of which year were altogether exceptional) is the progressive fall in the exchange. The growth of the Net Traffic Earnings has been considerable; but it has hardly kept pace with the increased charge for interest and, above all, with the increased loss by the fall in silver. The last cause unfavourable to the year's finances is the exceptional amount to be paid for Surplus Profits which were largely earned last year.

138. *34 & XXVII, State Railways.*—Expenditure more £328,000. Revenue less £7,000. Net Expenditure more £321,000. Net Expenditure £27,000. The portion of the capital cost of the *Mathura-Hatras* and *Ghazipore-Dildarnagar* Local Lines subscribed to date from Provincial and Local Funds by the Government of the North-Western Provinces is now shown here as expenditure besides the expenditure upon Surveys and upon the Indian Salt Lines. The portion of the State Railway Revenue and Expenditure which appertains to Railways treated as Productive Public Works in the Accounts will be found below in the first total Abstract Statement No. II, and shows decrease of Revenue £7,000; increase of expenditure £72,000; more Net Expenditure £79,000 and a Net Revenue of £179,000. The traffic upon these Lines does not grow as quickly as might be wished.

139. *35 & XXVIII, Madras Irrigation and Canal Company.*—For the first time in its history the works of the Company are expected to yield some Revenue in excess of the working expenses; the net expenditure shows an improvement of £16,000. But this is owing to the collection of arrears of Revenue coupled with the refusal of the Government to bear any longer the excess current working expenses of the works of this Company. The true effects during recent years upon the Indian Finances of the guarantee of interest upon the Capital of this Company is shown in the *Appendix*, Table VI.

140. *36 & XXIX, Provincial and Local Surplus and Deficit.*—Surplus more £279,000. Deficit less £235,000. Net result better £514,000. It was expected that the Provincial Governments would spend £268,000 more than their accruing Revenues. They are now estimated to spend £246,000 less than their accruing Revenues. A small part of this improvement of the Provincial resources is explained by the concessions to Burmah and Assam, but the bulk of it is due to improvement in the Provincial and Local Revenues and to reduction of the Provincial Expenditure. The closing balances of the Provincial and Local Treasuries at the end of each year will be found in Statement No. IX.

141. *37 & XXX, The Army.*—Expenditure more £1,210,000. Revenue more £30,000. Net Expenditure more £1,180,000. Net Expenditure £18,085,000.

142. It is impossible at present to estimate the cost of the Military Operations now in progress beyond the North-Western Frontier of India; but it is believed that the excess cost of the Army attributable to that cause recorded in the Accounts of 1878-79, will not exceed £670,000. The remainder of the excess here is due to higher prices in India (£350,000) and to increased expenditure at the *Home Treasury* (£166,900 net).

143. *38 & XXXI, Loss and Gain by Exchange.*—Loss more £400,000. Gain less (smaller Net Railway Traffic Earnings) £74,000. Net Loss more £474,000, notwithstanding that £1,320,000 less than Estimate has been remitted to the Home Treasury. Instead of £17,000,000 only £15,680,000 are now expected to be so remitted.

144. The estimated rate of Exchange of the year was 1s. 8·44d., which was, at the time, considered so low that overtures (which could not, of course, be entertained) were made for the commutation for a contract for the whole remittance at a higher rate. The actual rate has been 1s. 7·7d., or nearly three farthings worse.

145. The gold prices of silver have fluctuated much more than last year, the highest price being 54¼d. on the 2nd April, the lowest 48¾d. on the 21st December. The phenomena in India have all tended to a weaker exchange. The net amount borrowed by the Government has been less than last year by £3,640,606. The Excess Exports of commodities (other than gold and silver) in the first ten months of the year is only £5,424,000, being £2,312,856 less than last year, and the Net Imports have declined from £13,117,467 to £2,187,577, or by £10,929,890.

146. *39, Productive Public Works.*—The Capital Expenditure on *Productive Public Works* is now estimated at £4,593,000, being an excess over estimate of £44,000. This excess is due to the inclusion by the orders of the Secretary of State under this Head of the whole expenditure upon the Madras Harbour Works to the end of 1878-79, [illegible] Secretary of State in respect to these Works is that the whole expenditure upon them, up to a maximum of £628,000, shall be entered under this Head in the Accounts, and that Port-dues shall, when the harbour is completed, be levied at such rates as will yield to the Provincial Government a net income amounting to 4 per cent. interest on the capital cost up to this maximum of £628,000. The Government of India have undertaken, as its share of the burden, to advance this sum without interest until the Harbour is completed and the Port dues are levied. The Provincial Government will defray from Provincial Resources any cost of the Harbour in excess of the sanctioned sum of £628,000, and any such excess will be entered in the accounts as Ordinary Expenditure and not under the Head 39, *Productive Public Works*. The Provincial Government will also make good to the Imperial Treasury from Provincial Resources 4½ per cent. interest upon the whole amount advanced from the Imperial Treasury.

147. The figures which make up the rest of the estimated capital outlay of £4,599,000 will be found in Tables VII and VIII, Appendix B. The expenditure upon the Punjab Northern and Indus Valley State Railways and upon the realignment of the Western Jumna Canal is estimated at £1,277,000. For reasons repeatedly given, this expenditure cannot be expected, within any time which can be foreseen, to produce a profit equal to the interest upon it.

148. The Productive Public Works Revenue and Expenditure Account shows the following results:—Expenditure more £432,700; Revenue less £47,000. Total more £479,700, which is due, partly to the interest being reckoned at 4⅓ instead of 4 per cent. (a rate which is no longer sufficient), but mainly to the loss upon the Railways. The Accounts show Revenue £6,569,000; Expenditure £8,251,000; to which if the Gain by Exchange, £374,000, and the Loss by Exchange, £1,015,720, be added, the result is—

	£
Revenue	6,943,000
Expenditure	9,266,700
Deficit	2,313,700

against which is to be set the excess Land Revenue due to the Productive Works of Irrigation in Madras and the interest on the Productive Public Works Capital Expenditure, which is not yet producing profit. It will be remembered that the Guaranteed Railways are expected to yield net £1,884,256 less this year than last.

150. The capital upon which interest at 4½ per cent. per annum is reckoned in this Account is as follows: Total to the end of 1877-78 £29,094,020, in 1878-79 £4,647,000, and in 1879-80 £3,500,000.

151. Including the Capital Expenditure upon Productive Public Works, and excluding the Book-credits from the Military Funds, the Public Expenditure in 1878-79 is now expected to exceed the Public Revenue by £3,656,000. The net Loans to Native States (chiefly Mysore and Gwalior,) and Corporations, chiefly at *Bombay* (Water Works and Docks) amount to £1,040,000. The Railway Companies are expected to withdraw Capital amounting to £710,000. The other items of the Debt Account are expected to result in the net disbursement of £480,959. Thus the total Net Disbursements of the year in excess of the Revenue are expected to amount to £5,103,959. Of this sum £1,374,959 is provided by the reduction of the Public Balances from £15,574,959 to £14,200,000, and Public Debt amounting to £4,498,000 has been incurred for the remainder.

153. This sum of £4,498,000 borrowed is thus made up:—

	£
Borrowed under the Notification No. 616, dated 27th May 1878	2,500,000
Net borrowed in London	622,100
Net borrowed in India (Cash subscriptions to Transfer Loan 1879 (£1,393,457) less some miscellaneous repayments)	1,375,900
	4,498,000

153. It must be admitted that the assistance of the cash subscriptions to the Transfer Loan 1879 has proved convenient, and that it would have been difficult to have carried on the Public Service without that aid. The Government was compelled further to obtain a temporary loan during the year from the Bank of Bengal; but this has long since been repaid.

154. Of the £15,683,000 remitted to the Home Treasury, £14,164,000 was supplied in the usual way. For the balance of £1,516,000, bills were bought, in October and November, at a usance of six months, in Calcutta, at rates which compared favourably with the rates which could, at that time, be obtained for the Secretary of State's Bills in London. This phenomenon was due to money being, at the moment, exceptionally plentiful in Calcutta and exceptionally scarce in London—a combination which seldom happens. It is very unlikely that the Government will often depart from the established method of supplying the Home Treasury by selling bills upon India in London.

155. Deducting the Loans to Native States, &c., and the Railway Capital repaid, the net addition to the Public Debt during the year is only £2,748,000—much less than the capital expenditure on Productive Public Works, amounting to £4,599,000.

156. Compared with the Original Estimates, the whole deficit of Revenue, deducting the book-credits from the Funds is £976,000 more; £440,000 more has been lent to Native States (chiefly Mysore), and £290,000 less was withdrawn by Guaranteed Railway Companies; the Balances have supplied £125,041 less than was expected, and the net result of the other Debt items is £929,959 worse. The increase to the Public Debt is £1,998,000 more than was estimated.

157. At the close of the last Financial Statement, it was explained that, while the Surplus shown upon the face of the Estimates for 1878-79 was £2,156,000, the true Surplus, after deducting the book-credits from the Military Funds and the estimated arrears of Land Revenue in excess of the estimated cost of the Famine during the year, was only £1,759,000. In this calculation, it was overlooked that provision was then made for remittances to the Home Treasury in excess of the net current requirements of the year, the entry under Loss by Exchange, £3,000,000 exceeding by £257,000 the amount which would have sufficed for those net current requirements: and that £200,000 had been provided for discount on the then forthcoming Loan. Such discount is not a proper charge of the year in which it occurs. Thus the true estimated Surplus of 1878-79 was £2,216,000.

158. The Surplus which appears upon the face of the Regular Estimates is £1,300,000, from which £357,000 must be deducted for the Book-credits from the Military Funds; on the other hand £141,575 must be added because the provision for Loss by Exchange exceeds by this amount the sum which would be necessary if all the net current requirements of the Home Treasury for the year were remitted. Considering the extent to which the expenditure of the year has been increased by the high prices of food, it is not perhaps necessary to set off anything for arrears of Land Revenue (about £800,000), considerable though they be, in excess of the charge for Famine Relief (£555,000). The Discount charge is £39,000, and the portion of the last half-year's interest upon the Five-and-a-half per Cent. Loan in anticipation of due date may be estimated at £185,000.

159. To this measure, therefore, a true surplus of £1,309,000 to compare with the estimated Surplus of £2,216,000, showing a deficiency of £907,000.

159. Considering that this surplus exists after paying the whole charges of the War, amounting to £670,000; after allowing for a charge for Loss by Exchange higher by £586,000 than the sum taken in the Estimates of the year; and notwithstanding the other adverse influences that have been stated, the result, although less favourable than was anticipated at the beginning of the year, must be considered satisfactory. Altogether, under the two heads War and Loss by Exchange alone, both of them virtually beyond control, the Government has spent £1,258,000 more than was expected, there is still a surplus of £1,309,000. In the Financial Statement of last year it was said that the Government hoped to provide in 1878-79 from the normal resources of the year a sum of £500,000 for the relief of famine, and that a surplus of at least £1,000,000 would be available from the Revenues of the year for the purposes of Famine Insurance. The total estimated Surplus of the year was, as has been explained, largely increased by special causes. The sum of £555,000 has been spent on Famine Relief, and a surplus of £1,309,000 for Famine Insurance has been provided; but it must not be forgotten that these results would evidently not have been attained if the Government had been obliged to trust only to the normal revenues of the year.

160. It remains to remark that it is a mistake to suppose that £1,500,000 of new taxes was imposed in order to secure the surplus of £1,500,000 held necessary as a provision against Famine. The real net taxation imposed last year and in 1877 was only as follows:—

	1878-79.	1879-80.
	£	£
Additional Cesses as follows—		
Bengal (Public Works Cess)	338,000	352,700
Additional (Famine) Cess in Punjab	48,900	49,000
North-Western Provinces and Oudh	*Nil*	82,500
Central Provinces	12,800	12,800
Total Cesses	399,700	477,000
Assessed Taxes, less Rebate (which is old) Gross Revenue	803,700	832,400
less Refunds	150,000	*Nil*
Salt, say, £150,000		
Total	1,203,400	1,309,400
Deduct Inland Sugar Duties and [illegible]	297,000	339,000
Net additional Taxation remitted	906,400	970,400

161. There will remain still to levy hereafter £27,500 of the Famine Cess in the North-Western Provinces and Oudh. Thus the total eventual new taxation may be estimated at £1,104,900.

BUDGET ESTIMATE, 1879-80.

162. In the following Synopsis the First Estimates for 1879-80 are compared with the Regular Estimates for 1878-79 and with the accounts for 1877-78:—

Synopsis.

	1878-79. Accounts, 1877-78.	1878-79. Regular Estimates, 1878-79.	1879-80. First Estimates.	1879-80. Better.	1879-80. Worse.
	£	£	£	£	£
Revenue	68,060,801	69,513,385	69,877,000	...	363,615
Expenditure	63,513,385	68,213,385	67,463,000	750,385	...
Excess Revenue	5,547,087	1,300,000	2,414,000	...	1,114,000
Excess Expenditure	...	...	...	...	...
Capital Expenditure on Productive Public Works	4,791,087	4,599,000	3,497,000	1,102,000	...
Net Excess Expenditure	...	...	1,083,000	...	1,083,000
Receipts other than Revenue	8,324,189	8,259,000	8,259,000	...	...
Disbursements other than Expenditure	72,851,330	76,600,000	76,600,000	...	...
Excess Receipts	64,527,141	67,659,385	67,659,385	...	...
Excess Revenue	5,547,087	1,300,000	2,414,000	...	1,114,000
Public Balances Reduced	8,444,435	1,294,041	1,294,041	...	...
Public Balances Increased	110,694	1,874,959	1,874,959	...	...
Closing Balances	15,574,980	14,200,000	13,000,000	1,200,000	...

163. The explanation of the variations between the First Estimates 1879-80 and the Regular Estimates 1878-79 are as follows:—

164. *I, Land Revenue.*—Less £296,000 in Madras and the North-Western Provinces. Less arrears to be collected next year.

165. *II, Tributes.*—Less £6,000. This year's revenue contained some arrears.

166. *III, & 5, Forests.*—Revenue more £79,000. Expenditure more £37,000. Net better £42,000. Some little recovery from the depression this year.

167. *IV & 5, Excise.*—Revenue more £150,000. Expenditure more £27,000. Net better £123,000. Net Revenue £2,624,000. The following improvements are expected: Bengal £15,000; North-Western Provinces £25,000; Punjab £4,000; Madras £70,000; Bombay £30,000; Central Provinces £11,000. £100,000 was lost in the North-Western Provinces and the Punjab this year, and £29,000 would be a moderate recovery. The £100,000 improvement expected in Madras and Bombay would only replace those Provinces in their normal condition as to this revenue. The excess expenditure is for compensation to the Municipal Corporation of Bombay and other persons in connection with the reform of the Excise Revenue there.

168. *V & 7, Assessed Taxes.*—Revenue more £27,000. Expenditure less £5,000. Net better £32,000, besides £10,000 less Refunds. The chief improvement is in Bengal, where some arrears are expected to remain from this year.

169. *VI & 8, Provincial Rates.*—Revenue more £60,000. Expenditure more £10,000. Net more £50,000. The Famine Cess (estimated to yield £110,000) was not levied this year in the North-Western Provinces and Oudh. Provision is made for the levy of £82,500 or three-fourths of this Cess next year. The Regular Estimates include arrears in Madras.

170. *VII & 9, Customs.*—Revenue less £192,000. Expenditure £1,000 more. Net worse £193,000. The exemption from import duty of all cotton goods which contain no yarn of a higher count than 30s., is estimated to entail a sacrifice of £200,000, of which £150,000 will fall upon 1879-80. The Revision of the Tariff Valuations involves a net loss of £42,000.

EXEMPTION FROM IMPORT DUTY OF ALL COTTON GOODS CONTAINING NO YARN OF A HIGHER NUMBER THAN 30s.

171. In the Financial Statement for last year, the Government of India announced its intention of undertaking, conformably to the desire of Her Majesty's Secretary of State, a gradual reform of the Customs Tariff. The principles on which this reform could be carried out were distinctly enunciated with regard both to the Tariff generally, and to the question in particular of the abolition of the duties on the importation of cotton goods and yarns into India.

172. As a measure of general relief, the duties were removed on Railway Materials, and on a very large number of articles comprised under 26 Major heads of the Tariff, which yielded insignificant contributions to the Customs Revenue.

173. Respecting the Cotton Duties, the first step taken was to abolish the duty on Foreign Raw Cotton imported into India. This duty was imposed in 1875, with the view of placing Indian and English manufacturers on the same footing in regard to the finer classes of goods; but it was held by Her Majesty's Government to be objectionable in principle, and it proved, as was foreseen at the time, almost entirely unproductive.

174. In further conformity with the views of the House of Commons, and the instructions of Her Majesty's Secretary of State, the Government of India determined to commence with the removal from the tariff of the coarser qualities of cotton goods, which are subject to competition from the Indian mills and looms, and upon which the present duties are consequently in fact, as well as in principle, protective. The protection actually afforded was best to be both indirect and direct. It was indirect through displacement of finer imported goods by the coarser and cheaper locally made articles; it was direct, by the freedom of the latter from the taxation borne by imported goods of a similar class. With indirect protection, it was then felt to be impossible to deal.

175. The real test of direct protection or the reverse was decided to be "the quality or fineness of the yarn of which the goods consist." Yarn designated 30s. being known to be the very finest ordinarily made in India, or used for making cloth in the Indian mills, that count was adopted as the limit for exemption from duty with the view of removing direct protection. As, however, the count of yarn in the composition of cloths is never declared by importers at the Custom House or elsewhere, and as the extent to which a simple limit of 30s. might admit shirtings, long cloths and other textures forming the bulk of the grey goods imported, was unknown, the necessary avoidance of financial risks required, as a further condition, that the goods freed from duty should be of certain specified and well known descriptions, with which the successful competition of Indian manufacturers could be safely asserted. The limit of exemption for grey yarns was fixed at 32s for mule twist, and 20s for water twist.

176. To this measure, which took effect on the 18th of March 1878, the Government of India was not surprised to learn that strong objections had been raised. It only purported to be a safe commencement in a desired direction; and its scope was unavoidably limited, not only by financial considerations, but by the absence of comprehensive designations for the goods entitled to relief.

177. With the view of ascertaining the exact nature and bearing of the objections raised from without, and the feasibility of making a further advance on the line of policy definitively adopted, the Government of India, early in February last, nominated the Honorable T. C. Hope and Mr. J. D. Maclean, Collector of Customs at Calcutta, as a Commission to inquire into the matter, consulting freely the members of the mercantile community. The instructions issued to the Commission, and the report it has submitted, are published in an Appendix (A) to the present Resolution.

178. The Commission reports that the Notification of March 18th, 1878, was "sufficient and suitable for the objects the Government had in view, and that it has worked, within the limits it was intended to work in, without much trouble or complaint." But the Commissioners find that the real cause of complaints regarding piece-goods lies in "the fact that there is little essential difference between the cloths which have been exempted and large classes of cloth, otherwise styled, which have not;" and they state that—

"the only effective remedy obviously is to treat similarly, whether by exemption or taxation, all cloths of the same texture, irrespective of their lengths and widths in which they happen to be made up, or to the purposes which people may choose to call them. This course is that which is, more or less explicitly, asked for by the Chambers of Commerce of Bengal and Manchester, as well as by four mercantile firms in Calcutta, Madras, and four in Bombay, who have been consulted, and is approved by the Bengal Board of Revenue and the Customs Collector and Government of Madras. On the other hand, it is opposed at Madras by the Board of Revenue, and by the Madras Chamber of Commerce, a copy of whose letter is appended. The Bombay Chamber of Commerce, and the Governments of Bengal and Bombay, have expressed no opinion."

179. With reference to the last sentence of this quotation, it must be added that, since it was written by the Commission, the Bombay Chamber of Commerce, at a general meeting held on the 4th instant, passed the following Resolution:—

"That the Government of India be urged to exempt from Custom duty all cotton goods of every size and denomination if made of yarn of No. 32s and under."

180. The question immediately [illegible] what has been quoted is, what texture of cloth, or, in other words, "what number of yarn should be made the limit of exemption." After careful consideration of all available evidence, including recent special enquiries, the Commissioners hold that the limit of 30s, established last year, should be adhered to. They think there are—

"good grounds for believing that, except in a small number of isolated instances, the limit of 30s fixed by the Notification goes rather beyond what is necessary for abolishing existing direct protection. The small margin thus left is, however, useful in many ways, by leaving room for errors of estimate, by covering isolated higher manufacture, by allowing a greater difference between warp and weft, by minimising by penalty the occasions for greater permanence in the limit than could otherwise be expected. A limit of 28s might cover the bulk of the manufacture for a time, but it could not be long maintained, while much misery would be caused by a reduction from the existing limit of 30s, which seems to have been generally approved."

181. The indirect protection, on the other hand, they find not sufficiently palpable to call for an immediate remedy. It is, in their opinion, removable only "by an exemption going far beyond the present limits of actual local manufacture, and involving a sacrifice of revenue not absolutely necessary."

182. Upon grounds virtually similar, the Commission advocates the maintenance of the limit of 32s mule and 20s water adopted for grey yarns in the Notification of March 18th, 1878. Relying upon the well-ascertained facts that the Indian mills rarely make yarns even as fine as these numbers, that Indian cotton is sent to England to be spun into fine yarn for re-export back to India, and that the importations of fine yarn show no symptoms of decline, the Commissioners see no sufficient grounds for acceding, at a cost of about £35,